



THE FUTURE OF THE GERMANIES

EUROPEAN NEWS

Reunification question back on the agenda

Milosevic builds up his bastions in isolated Serbia

West Germany and its allies speak publicly in favour of reunification. In private however, many are not so sure. FT writers assess the prospect of ending four decades of partition

By Judy Dempsey in Belgrade



WHEN Mr James Baker met Mr Eduard Shevardnadze, the Soviet Foreign Minister, in Wyoming last month, the US Secretary of State disclosed afterwards that they had conferred in some detail about the "German Question". Observing the sensation he was causing among German journalists, he added enigmatically: "Those talks had better remain confidential."

want German unity. In the 1955 Deutschlandvertrag - the treaty giving back West Germany sovereignty in return for its membership of Nato - the allies proclaimed (with Bonn) "a common aim of a reunified Germany enjoying a liberal-democratic convention like the Federal Republic, and integrated within the European community (with a small c)".

it did not matter because the journey seemed infinitely long. Now some of the convenient formulae behind which both Bonn and its partners used to hide - those which speak of the complementarity of European integration and German unity - will no longer serve to mask differences of priority.

In a sense this is also Bonn's strongest case. The current government can argue, to devastating effect, that it has no intention of downgrading its obligations to the West for the sake of building bridges to the East - but, unless the West shows due sensitivity, the Germans will elect a government that has exactly that intention.

Western allies ambivalent

By Our Foreign Staff

UNTIL recently, German reunification was safe ideal to proclaim. As long as the Soviet veto on German unity seemed immutable, the Federal Republic's friends could endorse it without worrying much about what it would mean in practice.

The ideological gulf underpinning partition

By Bruce Clark, Leslie Collett and David Goodhart

IN SITUATIONS where powerful emotions run up against harsh realities, politicians become masters of the paradox. Germany's partition is no exception: the parties on both sides of the border have evolved a corpus of theory on the National Question that would do credit to a scholastic theologian.

1964, East Germans have had to hum their national anthem - rather than sing the embarrassing words: "Resurrected from ruins and facing the future/ United Germany, our Fatherland, let us serve you well."

reunification to be dropped - not because they are indifferent to rapprochement between two Germanies; but because they are so keen on it.

The crisis has certainly sharpened the dilemma faced by the Social Democrats (SPD), who not only favour government-to-government dialogue with East Berlin, but also maintain party-to-party contacts with the East German Communist Party (SED).

The SED's failure to keep its promises had created a more critical attitude inside the SPD even before recent upheavals.

Belgrade's unreconstructed Socialist Alliance of Working People, a post-backed umbrella movement, is firmly in the hands of Mr Zoran Todorovic, who works hand-in-hand with the Belgrade party. Like the latter, the SAWP believes in pluralism in the party, but not multi-party pluralism.

March, he has been preparing the ground. For instance, the liberalisation of the banking system and of joint ventures aimed at attracting foreign investments, free movement of capital and imports, and a healthy \$5.5m in reserves were enough to convince the IMF to approve a stand-by credit line to be granted next January. It also appears that in his recent visit to the US, Mr Markovic won support from political and financial institutions for his reform programme.

Economy would grow - but not by much

By David Goodhart in Bonn

FEARS of a shattered German takeover of the West German economy of Eastern Europe are exaggerated, according to one of Mr Helmut Kohl's closest advisers.

bring something to the party. East Germany's population, 16.5m, and GNP, DM270bn (\$191n), are both smaller than those of the West German state of North Rhine Westphalia. But the strengths of West Germany (population 61m, GNP over DM2,000bn) in investment goods and chemicals are mirrored in East Germany, albeit at a considerably lower level of sophistication.

WHAT THEY SAID

"For the time being, no central German government shall be established... During the period of occupation, Germany shall be treated as a single economic unit."

Poles' sinking feeling of 'inevitable' unity

By Christopher Bobinski and Judy Dempsey

GERMAN unity will always be a sensitive subject for the Poles. Not just because of bitter historical memories; some also feel that if reforming Poland has been allowed a free rein by Moscow, it is partly because their country is divided from the West by a safe buffer - orthodox East Germany.

GERMAN affairs, speaks for many top Solidarity officials when he argues for greater caution. Poland, he says, should first support the reformers in East Germany, whose first aim is domestic reform, not unity.

THE PORTUGUESE Government is to launch an anti-poverty programme in January. Announcing the programme, Mr Anibal Cavaco Silva, the Prime Minister, said the Government would concentrate initially on alleviating "socially unacceptable areas of poverty" in the cities of Lisbon and Oporto. He also announced increases in pensions of more than 15 per cent from December 1.

W German inflation rises again

By Andrew Fisher in Frankfurt

WEST GERMAN inflation moved up again this month, just as the Bundesbank lifted its key rates by a full percentage point to counter the effects of over-heating.

Bonn strains at the Brussels anchor

By David Buchan and David Goodhart

Broader or Deeper? Deeper, that is, only then broader? Or not too deep, for fear of making it harder to broaden?

an articulate advocate of an old theory, long proclaimed by Mr Genscher, that Bonn needs a firm Western anchor before sailing into eastern waters.

And undeniably, the idea that the EC must remain "open" to its eastern neighbours has been a persistent theme of recent speeches both by Mr Genscher and by Chancellor Helmut Kohl.

Both Mr Bronislaw Geremek, Solidarity's parliamentary leader, and the newspaper editor Mr Adam Michnik now support the idea of a united Germany; they argue that since their movement backs "self-determination" for the Polish people, it should also assert the same right for the Germans.

"could not imagine... a member of another alliance joining the EC"; and he did not mention the widening of Efta.

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EUROPEAN NEWS

Soviets and Finns agree five year trade deal

By Enrique Tasseri in Helsinki

FINLAND and the Soviet Union yesterday signed their fifth five-year bilateral trade agreement as well as a protocol of intent that sets the framework for the joint development in the so-called Kola project.

The trade accord will continue to be based on a clearing-house scheme with a provision for more flexibility if serious disruptions in trade occur.

Presently, 10 per cent of all Finnish-Soviet semi-barter trade has been carried out on a hard-currency basis, and this is expected to increase.

By mid-next year the rouble used in both countries' clearing-house schemes will most likely be changed to a convertible currency, said Mr Kari Holopainen, department head of the Bank of Finland.

Finnish-Soviet trade incorporated a balancing mechanism in autumn 1988 that is included in the present accord. It is designed to safeguard trade from dramatic shifts in any side's favour as happened in 1986 when oil prices plummeted.

Most Soviet exports to Finland will continue to be dominated by oil, as in the past, while the great majority of Finland's annual export quotas have been registered as lump sums for the 1991-95 period in the accord.

Finland will also continue to export machinery and equipment to the USSR.

Another important agreement signed by both states is a protocol of intent to jointly develop the Kola Peninsula.

Although this long-range project includes a number of areas, Finnish companies such as Neste, Imatran Voima, Wärtsilä as well as the American Conoco and Norsk Hydro of Norway, are planning to sign a letter of intent with the USSR Petroleum and Gas Ministry to carry out a feasibility study to determine how to tap the enormous gas reserves in the Barents Sea.

Both Governments also signed 13 joint venture projects of which the most important is Enocell, a sizeable Soviet-Finnish paper and pulp mill to be built in Finland that will use raw materials from the USSR.

Donbas coalfield miners to vote on strike

By Quentin Peel in Moscow

TENS OF thousands of Soviet coalminers are to vote this week in the huge Donbas coalfield on whether to defy the law and strike in protest at the Government's failure to meet their demands.

The decision was announced yesterday as another wildcat stoppage - in the grim Arctic Circle mining district of Vorkuta - appeared to have petered out in the face of official denunciation, and the threat of a rail blockade.

The strike ballot is the latest indication of the miners' continuing militancy in spite of the apparent willingness of Mr Mikhail Gorbachev and the politburo to meet all their key demands when they went on strike in July.

Its outcome is very much in the balance, with a majority of the Donbas Council of Strike Committees actually voting against a strike before deciding to hold the ballot.

The strike leaders met in the Ukrainian city of Pavlograd, according to the official news agency, Tass. They heard a report from the official Miners'

Trade Union central committee on the progress of negotiations with the Government and Coal Ministry.

However, in spite of their dissatisfaction with the position of the ministry's leadership, only five of the 24 strike leaders voted to strike again, with 18 against and one abstention, Tass said.

The miners are angry about slow progress in changing their own mine managements and giving more autonomy to individual mines, as well as with the continuing poor supplies of consumer goods in the Ukraine coalfield. They also accuse the authorities of failing to give the strike committees themselves adequate recognition.

In Vorkuta, the miners went on strike with openly political demands, in addition to their anger at the mine management system. They were calling for the repeal of Article Six of the Soviet constitution - entrenching the leading role of the Communist party - and for a separation of power between the state President

and the party leader.

However, reports from the town yesterday said that all mine pits which stopped work had gone back. Apart from official threats of action under the new law banning strikes in the mines, they were also persuaded by the threat of a rail blockade, cutting the only source of food and fuel in the region.

Another brief stoppage took place on Monday in Mezhdurechensk, the West Siberian mining town which first stopped work last July.

E German leaders talk to opposition

By Leslie Collitt in Berlin

THE East German leadership held its first talks yesterday with prominent members of the New Forum opposition as the country's lawyers' organisation called for major reforms of the legal system.

The talks took place only a day after Mr Egon Krenz, the new East German leader, said he was willing to talk with opposition groups.

Mr Günter Schabowski, the East Berlin party leader, met two founders of New Forum, Mr Jens Reich and Mr Sebastian Pflugbeil in Dresden, the reformist party leader there, Mr Hans Modrow, and Mayor Wolfgang Berghofer organised a meeting with New Forum activists and other citizens.

Mr Reich said after the two-hour session with Mr Schabowski, a politburo member, that he believed the party was genuinely seeking a dialogue with the opposition.

He said Mr Schabowski had told them it was not his decision on whether New Forum would be legalised. But he hinted at a new law permitting street demonstrations and multiple-candidate elections.

The East German lawyers' organisation, meanwhile, called for a wide-ranging depoliticisation of the legal system. The organisation, headed by Dr Gregor Gysl, a reform-

mind lawyer and party member, said "crimes against the state" had to be thoroughly revised.

The lawyers criticised limitations on civil rights and noted that the independence of judges had "sometimes" been interfered with by party officials, a practice which should be abolished. The right of defence and the rights of the victims of offences needed to be strengthened, they said.

The lawyers called for greater "transparency" in legal decisions and criticised "violations" by the security forces in quelling demonstrations earlier this month.

Detention centres should be taken from the control of the Ministries of Interior and State Security and given to the Justice Ministry.

The lawyers' organisation also called for a reform of police law to clearly define their power.

At a meeting of the Dresden City Assembly attended by opposition members and concerned citizens, Superintendent Christoph Ziemer of the Protestant Church handed over a report of 170 citizens who were victims of police brutality in recent demonstrations. Supt Ziemer called the report a "shocking, frightening document".

Three-tier currency system planned by Soviet Union

By Quentin Peel

SEVERAL SOVIET officials elaborated yesterday that the introduction of a new "tourist exchange rate" for the rouble - at one tenth of the official exchange rate - was the first step to a three-tier system.

The plan appears to include maintaining the official exchange rate for non-essential imports, while one rouble is worth \$1.80 for essential imports, leaving a hugely devalued rate for tourist dollars (and Soviet travellers) to prevent an excessive black market, and eventually introducing an intermediate commercial rate for non-essential imports, and possibly also for the promotion of

new exports. Fixing an acceptable "commercial" rate is still a distant prospect, Western observers believe.

A spokesman for Gosbank, the Soviet state bank, confirmed yesterday that the new special exchange rate is intended only to benefit tourists, and penalise Soviet travellers. However, the 90 per cent devaluation, leaving the rouble worth only \$0.18, will be available to any foreigner who brings foreign currency in cash and declares it on entry into the Soviet Union, he said.

Full details of the change will be spelt out today by Mr Viktor Gerashchenko, Gos-

bank's new chairman, at a news conference today.

Yesterday huge queues of intending Soviet travellers had built up at the special bank branch issuing hard currency allowances for foreign travel, hoping to get the official exchange rate before the new system comes into effect on November 1. At present, Soviet travellers are limited to a quota of Rhs200 in foreign currency at the official exchange rate, but now that amount will buy them less than \$2.

The Gosbank official confirmed that the travel allowance would be raised.

Two days after the new sys-

tem is introduced, Vneshekonbank, the official Soviet foreign trading bank, is planning to hold its first foreign currency auction for Soviet enterprises. Last bids and offers had to be submitted by yesterday.

There is still some doubt over whether the auction will go ahead after previous attempts failed because of the enormous imbalance between supply and demand of foreign currency. Soviet economists believe that the excess demand would have resulted in an effective 20-fold devaluation.

The auction route is one path to fixing an eventual commercial exchange rate for the

rouble, if a better balance between supply and demand can be found.

The other route is through the officially-fixed "co-efficients" for foreign currency transactions currently applied to all Soviet enterprises. The system effectively decides a differing price for foreign exchange for each industry, sector, or even region in the Soviet Union.

The 3,000-odd co-efficients now in force are set to be replaced next year by a common rate for all enterprises, amounting to a 50 per cent devaluation of the official exchange rate.

Dutch pact on coalition government

By Laura Raun in Amsterdam

THE Dutch caretaker Prime Minister, Mr Ruud Lubbers, is hoping to swear in a new Christian Democrat-Labour cabinet on November 4 - the anniversary of his first government in 1982 - following agreement by the two parties on a governing accord.

However, the sharing-out of cabinet posts has yet to be settled, and Mr Wim Kok, the Labour party leader, has still to decide whether he will serve, despite having led the negotiations with the Christian Democrats.

He is a leading contender for the post of Finance Minister in the 14-member cabinet, which will be Mr Lubbers' third administration.

The Christian Democrats shared power with the Liberals from 1982 until the general election two months ago when the Liberals, punished at the polls for topping the Government over financing for an environment plan, lost too many votes to enable Mr Lubbers to form a stable parliamentary majority.

Mr Onno Ruding, the Finance Minister, who has cleaned up public finances over the past seven years, has indicated unhappiness with the lack of budget discipline in the governing accord.

Under the accord the Government would spend F145bn on new policies, including the environment and social welfare. The budget deficit is to be shrunk to 3.5 per cent of national income by 1994. The tax burden will climb by 0.5 per cent.



Bulgarian police beat up ecologists

Bulgarian police kicked and punched leaders of the country's unofficial ecology group in a Sofia street yesterday and detained 15 others, Reuters reports from Vienna quoting eyewitnesses.

They said about a dozen plainclothes policemen stopped nine leading members of the unofficial Eco-glasnost group and dragged them into a curfew bus. Several were kicked and punched.

Later some 15 members, including its president Mr Petar Slabakov, were detained in a central Sofia park where they were trying to collect signatures for a petition urging greater public discussion of some of Bulgaria's industrial projects.

EC 'cash mountain' causes a quarrel

By David Buchan in Brussels

PROOF that European Community institutions can as easily quarrel about having too much money at their disposal as too little came yesterday when the European Parliament complained at being able to spend only a fraction of the potential Ecu 9bn (\$6.25bn) budget surplus for 1990.

Giving a first reading to next year's draft budget, the Parliament yesterday wanted to increase spending by Ecu 97bn to Ecu 47.1bn. But, to its frustration, provisions of the 1988 budget reforms prevented the Parliament from dipping any further into the Community's new-found budgetary riches.

Underpinning on EC farm production and export support, because of higher world prices, and larger-than-expected revenue, because of strong economic growth, combined to put the EC Council of Ministers' proposed 1990 budget of Ecu 48.1bn well below the absolute legal ceiling of Ecu 56bn.

However, the Parliament used its available room for manoeuvre by voting an extra Ecu 100m for what it knew would be a popular cause - aid for Poland and Hungary.

In his Wednesday speech to the assembly, President Mitterrand pronounced himself personally favourable to the 1990 Community budget contribution to the two East European countries being raised from Ecu 300m to Ecu 500m. But it is not clear that EC budget ministers will go along with this, when most of the Twelve are also making substantial extra bilateral aid available. The Par-

liament also voted an extra Ecu 185m for seven of their favourite "new policies" - ranging from some of Margaret Thatcher's ideas, such as the Lingua foreign language programme and social policy, to funds to protect the EC environment.

Reversing the usual charge of the Council against the Parliament, Mr John Tomlinson, the British socialist rapporteur, accused the former body of "irresponsibility in accepting policies with financial consequences and not making proper funds available". He cited the example of the Lingua programme, which he said the Commission had proposed, and the Council had accepted, on the basis of Ecu 200m spending next year, but for which only Ecu 6m had entered into the draft budget.

Mr Peter Schmidhuber, the Budget Commissioner, pointed out that it was stupid to pour lots of money into new programmes in the running-in phase. But no serious ructions are expected in settling the 1990 budget before Christmas.

© The British socialist rapporteur have broadly welcomed the new flexibility in the Commission's proposal to set only minimum, not absolutely fixed rates, for excise taxes on alcohol, tobacco and fuel.

But many said Brussels' revamped plans would still pose their countries considerable adjustment problems and UK officials described the Commission's rate-approximating efforts as neither necessary nor desirable.

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OVERSEAS NEWS

De Klerk says apartheid reforms essential



De Klerk: looking ahead

Mr F W de Klerk, the South African President, yesterday acknowledged that reforms to apartheid were essential to end the country's international financial isolation and to boost domestic economic growth.

higher economic growth, reduce unemployment and lower inflation, he said, adding that unless the country's fundamental economic problems were dealt with, it will be very difficult to proceed with significant political reform.

Mr de Klerk congratulated South African exporters for their success in circumventing international trade sanctions.

account surpluses to service the country's \$21bn foreign debt would continue to depress economic growth over the next four years, when an average annual current account surplus of \$2bn would need to be maintained.

Martial law in Peking may be ended soon

CHINESE authorities have strongly hinted that they may be about to end martial law in Peking. According to Yuan Mu, a government spokesman with close ties to Prime Minister Li Peng, martial law had only a "limited tenure in the capital" and "it seems it will be lifted before very long".

He said troop numbers in Peking had been reduced, and would continue to be so, but he declined to say precisely when the five-month long army occupation would finally end.

Since then, troops have maintained round the clock patrols on crossroads, and key locations, such as the radio and television studios, and rounded up thousands of people alleged to have taken part in what the Government claims was a "counter-revolutionary rebellion".

UN refugee chief resigns after rows

BY Michael Littlejohns, UN correspondent, in New York

THE UN High Commissioner for Refugees, Mr Jean-Pierre Hocké, is to be replaced, following a series of incidents that have embarrassed his agency and adverse reports on his conduct.

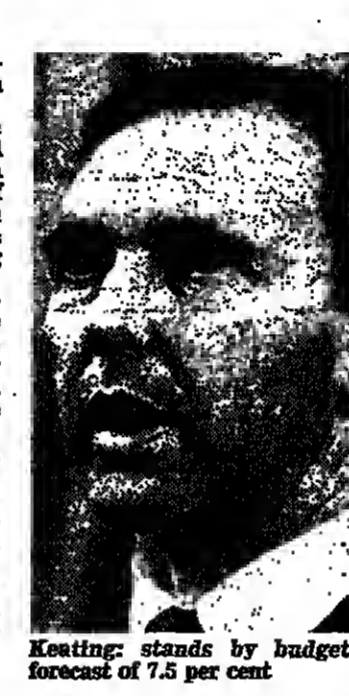
Australian inflation climbs to 8%

By Chris Sherwell in Sydney

AUSTRALIA'S annual inflation rate, already significantly higher than those of its main trading partners, has surged back to the 8 per cent mark for the first time in two years.

Increases in mortgage interest rates and house prices, which accounted for more than one-third of the reported rise, food added another one-fifth, and transport one-sixth.

Analysts agree that the parity of good news about the Australian economy augurs badly for the Hawke Labor Government, which faces a general election sometime before mid-1990.



Keating: stands by budget forecast of 7.5 per cent

Alitalia ends Abidjan service as flight quotas row escalates

By Mark Huband in Abidjan

EUROPEAN airlines operating services to west Africa may be forced to pull out following the imposition of new limits on the number of flights and passengers, introduced to protect the ailing local carrier Air Afrique.

to retain its weekly flight at least until January before considering the viability of the route.

Hillecart was appointed the airline's director general in March following the French Government's decision to give \$80m as part of a rescue and radical restructuring plan.

Airline crash in east Taiwan claims 54 lives

A CHINA Airlines Boeing 737 crashed and burst into flames yesterday on a rain-swept mountain in eastern Taiwan, and all 54 people aboard were feared dead, airline officials said.

'Mission impossible' for an Israeli captain of industry

Hugh Carnegie reports on progress being made by the man charged with reversing Zionist tradition of state ownership

"Mission Impossible" is how Mr Ze'ev Refua refers to the task that faced him when he was brought in from the private sector to take charge of Israel's privatisation programme.

Iran hopes to end row with France

Iran said yesterday it was close to ending a damaging, \$1bn dispute with France lasting a decade, Reuters reports from Paris.

Guerrillas intensify fighting in Cambodia

FIGHTING intensified in four provinces of Cambodia this month as guerrillas attacked key areas held by the pro-Vietnamese government, the Thai Army spokesman said yesterday.

He said that in the often fierce combat the guerrillas focused attacks on key routes 68 and 69 in the northwest and on Highway 6, which runs from the northwestern town of Siem Reap to the area of the national capital, Phnom Penh.



Still loyal: supporters of Ms Bhutto marching in Islamabad

Bhutto caught in struggle against the political tide

BY Christina Lamb

WHEN A husband cheats on his wife they say she is usually the last to know. Ms Benazir Bhutto's Government was similarly taken aback when on Sunday the opposition announced they were moving a vote of no-confidence against her supported by the Mollahi Quami Movement (MQM), her erstwhile coalition partner.

creation of Bangladesh in 1971. Ethnic violence between Sindhis, Mohajirs (migrants from India), Pathans and Punjabis, all of whom are locked in a battle for scarce economic resources, has worsened under Ms Bhutto.

He said the guerrillas "use the method of launching an offensive, seizing certain areas, and pulling back their forces, probably because they do not have enough forces to control the areas."

Iran is seeking full repayment with interest of a \$1bn loan to France made by the late Shah of Iran in 1974. France is claiming compensation for contracts revoked in the early days of the 1979 revolution.

Ms Bhutto's well publicised drugs crackdown ended in farce when the man described by Mr Yusuf Lodhi, her narcotics adviser, as "the kingpin of the world's heroin trade" had to be released through lack of evidence.

Apparently her most trusted party members are too inexperienced for her to find a Finance Minister.

Ms Bhutto is certainly constrained by a debt-ridden economy, a harsh IMF agreement and an overwhelming desire to please the Americans to the extent of putting up with a policy on Afghanistan which many consider untenable, and liable to leave Pakistan stuck with nearly four million well-armed refugees for years to come.

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## AMERICAN NEWS

## Brady seeks more reform in regulation of markets

By Peter Riddell, US Editor, in Washington

FURTHER reforms in the regulation of financial and securities markets are needed to deal with unstable conditions, Mr Nicholas Brady, the Treasury Secretary, argued yesterday.

Before taking up his present post in August last year, Mr Brady not only ran the Dillon Read securities house in New York but also headed a presidential commission investigating the slump in share prices of October 1987.

Testifying yesterday about pending legislation, Mr Brady argued that the Securities and Exchange Commission needed more powers.

In particular, the administration now believes legislation is needed to speed the process of co-ordinating clearance and settlement of futures, equities and other products that cross financial markets. This differs from the earlier view of the working group of financial regulatory agencies, which argued that the issue should be left to the private market.

But yesterday Mr Brady said that clearance and settlement "remain the weakest link in the system" and therefore the administration supports a provision in the market reform bill before Congress that would direct regulators to co-ordinate clearance and settlement.

Mr Brady said the working group on financial markets was to be asked to reconsider



Brady: wants new rules

issues related to stock and futures margin requirements. Previously, this group had concluded that minimum margin requirements prevailing last week were sufficient for prudential purposes and were consistent between markets.

But subsequently, he noted, futures markets had reduced their minimum margin requirements to levels even lower than before the 1987 collapse. "This raises questions about whether futures and equity margin requirements are consistent at these levels and whether futures margins are adequate." He was "very concerned about these issues".

The only difference from testimony given yesterday by Mr Richard Breen, the new

chairman of the SEC, was over whether the commission should be given the power to halt trading in times of emergency.

Mr Breen has said he does not want such authority, which at present rests solely with the president. But Mr Brady has argued that such a change is needed since the initial governmental response to market emergencies should come "from a regulator with expertise and proximity to the markets".

Mr Brady warned Congress against going too far in its attempt to eliminate market volatility. "We cannot and should not attempt to eliminate major market moves, whether by legislation or regulation."

He argued that the sharp drop in share prices two weeks ago did "not signal any fundamental change in the condition of the economy".

The system, he said, "had functioned well on October 13. Few, if any, of the operational problems that we witnessed in 1987 occurred, and the systems that were put in place over the last two years to address market declines appeared to work reasonably well."

The most pressing concern of financial regulators was "market overhang", or unfilled business that could have flooded the market with sell orders on October 16.

## A region out to show it has come of age

Tim Coone looks at today's meeting of Latin American leaders in Costa Rica

AS A reminder that Costa Rica's democracy was not always so peaceful and civilised as it is today, bullet-holes can still be seen in the outer walls of the old Bella Vista barracks in San José.

Now the National Museum, 40 years ago it was the scene of an attempt to overthrow the government of Don "Pepe" Figueres, the founder of the ruling National Liberation party (PLN), who had come to power a year earlier by leading a rebellion against a government that stole the elections from his party. The PLN is now one of the best-established social democratic parties in Latin America.

This weekend President Oscar Arias will make a speech on the steps of the museum to commemorate 100 years of Costa Rican democracy. He has invited heads of government from across the American continent to use the occasion to discuss six topical themes dubbed as the 6 "Ds" - democracy, debt, development, deforestation, drugs and disarmament.

The three notable absences from the guest list are Cuba, Panama and Chile. Eighteen heads of government will be

present today, as will 1,500 journalists who have converged upon San José and a similar number of members of the official delegations (800 from the US alone). The local hotel and car-hire businesses are booming.

But what is it all for? Plenary meetings will last only four hours over the two-day summit. No final document is to be produced. Diplomats say US President George Bush does not want to put his name to anything that might also be signed by President Daniel Ortega of Nicaragua.

With the latter in an election campaign, the US is concerned that signs of a rapprochement might favour Mr Ortega at the expense of his opposition. For the same reason a much-spectulated-on Bush-Ortega encounter has also been firmly ruled out.

Mr Bush however is due to meet Mrs Violeta Chamorro, the main opposition candidate in the Nicaraguan elections, as well as leaders of the Panamanian opposition.

Indeed, as far as the US is concerned Panama and Nicaragua are the two key issues of the San José summit, in the former case to try to rally support for stronger sanctions



Arias discussing the six "Ds"

against Panama's military leader, General Manuel Antonio Noriega, and in Nicaragua's case to maintain diplomatic pressure to ensure fair elections there next February.

Mr Arias and the Latin Americans though have their own particular interests to pursue. According to close aides of Mr Arias, even though a final summit document has now been ruled out, he still hopes the meeting will mark the beginning of a new Latin American-US relationship based on an understanding that Latin America has come

of age and deserves to be treated as an equal partner.

His successful Central American peace initiative during the Reagan administration won him the Nobel Peace Prize - and the opprobrium of the hawkish right in the US.

Diplomats say it is a message that will not be lost on the new Bush administration, though, especially given Mr Arias's diplomatic support for the US over Panama.

The summit will meanwhile give Mr Bush a chance to meet most of the continent's leaders on both a multilateral and bilateral basis. That in itself is being seen as a significant outcome of the meeting and an opportunity for Mr Bush to give substance to his declared policy of promoting co-operation with Latin America.

Interest is also focusing on Mr Ortega. His conciliatory approach at last August's Central American summit made a deep impression on the Arias team. "He has become an able and mature diplomat," said one Arias adviser. He may offer some initiatives but the Nicaraguan delegation of over 100 members is playing its cards very close to its collective chest.

The worst-kept secret in town, however, is that the Canadian Prime Minister, Mr Brian Mulroney is today to announce Canada's entry into the Organisation of American States (OAS), thereby opening a new phase of Canada's relations with Latin America which can be expected to have both political and economic ramifications.

Mr Mulroney is due to speak immediately after Mr Arias's summit opening speech - a schedule which has upset the Argentines, who wanted President Carlos Menem to speak second. For Mr Menem, the summit is an important opportunity to project himself as a Latin American leader and, as one summit organiser said, as one bringing Argentina in from the cold.

For those left out in the cold, Panama, Cuba and Chile, they can expect to receive a stern finger-wagging from most of those at the summit. Of the six "Ds", democracy and drugs are expected to be the dominant themes and Panama falls on both counts.

As Mr Arias speaks outside the National Museum, the symbolism of what happened there 40 years ago will not be lost on those focusing today on Costa Rica's neighbour, Panama.

## US gross national product up 2.5%

By Anthony Harris in Washington

US real gross national product rose at an unchanged annual rate of 2.5 per cent in the third quarter, according to the advance estimate from the Department of Commerce, published yesterday.

The composition of national demand changed sharply, however. A 1.4 per cent rise in consumer sales - mainly cars - after a flat trend more than offset a \$22bn fall in real net exports, and smaller falls in house-building and federal spending.

Mr Nicholas Brady, Treasury Secretary, told the Senate Banking Committee he was pleased with the third-quarter

figures which showed "good, solid growth and a lowering of inflation."

Mr Michael Darby, the Under-Secretary for Commerce, said that the most disturbing element of the GNP report was the deterioration in the real balance of trade. He predicted, however, that the trade balance would improve through the rest of the year.

Falling energy prices had a considerable impact on the figures. The fixed-weight price deflator, considered the best indicator of underlying inflation, fell to an annual rate of 2.9 per cent from 5 per cent in the previous quarter. But Dr

Michael Boskin, chairman of the Council of Economic Advisers, said that this figure was probably below trend.

Energy prices also largely explained a 1 per cent fall in the import price index over the quarter and it further seems likely that higher imports of cheaper oil contributed to the rise in price-adjusted imports. The boom in car sales accounted for 40 per cent of the total rise in GNP. Durable goods purchases rose at an annual rate of 15 per cent during the quarter, more than twice the growth rate of 1988. Brady seeks more reform, Page 6

## Tax package entangled with East European aid

By Peter Riddell

THE increasingly bitter battle over reducing US capital gains tax has become entangled with the Senate's debate over the aid package for Poland and Hungary. This threatens to cause delays to both proposals, as well as to legislation needed by next Wednesday to increase the federal debt ceiling.

This mess has led to heated exchanges between the White House and the Democrat congressional leadership.

Senator Bob Packwood, the main Republican sponsor of a capital gains tax cut, included it as an amendment to the large Eastern European aid package. Senator George Mitchell, Democratic majority leader, warned yesterday that this was "an unwise and unfortunate action that will obviously cause delay and per-

haps permanent defeat of Polish and Hungarian aid". He criticised the administration for putting the issue of capital aid above the international need to help the new democracies in those countries.

There are now at least four different sets of East European aid packages - \$451.1m (\$280m) proposed by the administration, \$585m by Republican minority leader Senator Robert Dole (without official White House backing), \$687.5m by the House of Representatives, and \$968m by the Senate Democratic leadership (scaled down from \$1.2bn proposed by the Senate Foreign Relations Committee).

The eventual package will probably be somewhere between the House and Democratic Senate versions.

## Brazil TV star enters poll fray

By Ivo Dawson in Rio de Janeiro

A TELEVISION variety show host better known for knock-about wisecracks than political know-how has brought both fame and fear to Brazil's first free presidential election for 29 years. With just three weeks to go before the first round of polling, Mr Silvio Santos has let it be known that he is ready to stand for the country's highest office if any party wants him as its candidate.

Despite a certain physical resemblance to the character of The Joker in the current cinema blockbuster, Batman, Mr Santos is deadly serious and so are his supporters. His candidacy is supported by many members of the country's second largest party, the Liberal Front (PFL), who are now trying to dump their candidate, Mr Aureliano Chaves in his favour.

He is also flirting with the Liberals (PL) whose hopeful,

Mr Guilherme Afif, is said to be ready to step down.

But the prospect of a Santos candidacy has sent shock waves through the business community. They fear he could easily take enough votes away from the front-running caped crusader for economic liberalism, Mr Fernando Collor, to let in the hard left.

On Wednesday, leaders of the São Paulo Industries' Federation (Fiesp) publicly criticised his intervention as upsetting the election and damaging the country's international reputation. One businessman warned: "Silvio would cause havoc. I do not know if the country could take the consequences."

The black dollar also reacted, leaping to over NC212 - a margin of over 140 per cent against the official exchange rate. That alone confirms the popular view that Mr Santos

would take a sizeable proportion of the vote, as have polls earlier in the year showing him a strong third.

A former barrow boy turned multi-millionaire owner of Brazil's second largest television network, he has a huge working class following, largely derived from his day-long quiz and variety show, aired every Sunday.

Armed with a vast, toothy smile, and the kind of folksy integrity cultivated by game-show hosts, Mr Santos's appeal rests in his image as an entirely unpolitical man of the people. His only known political opinion is a general predisposition towards a liberal economic outlook.

A Santos candidacy would provoke a barrage of legal objections to the electoral authorities and it remains unclear whether he would be allowed to stand.

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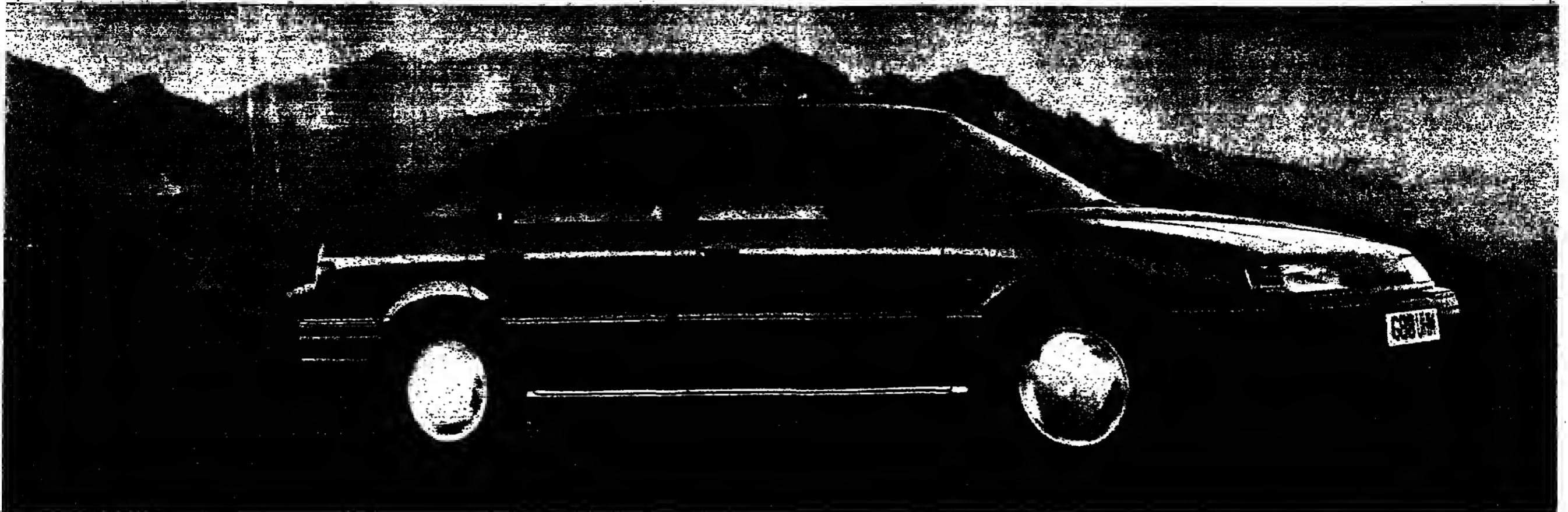
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WORLD TRADE NEWS

Lome meetings move towards critical stage

By Tim Dickson in Brussels

CONCERN at the wide variety and deep complexity of unresolved issues will mark the opening in Luxembourg today of the critical final round of trade and aid talks between the European Community and 66 African, Caribbean and Pacific (ACP) countries. A financial package worth more than Ecu10bn is at stake in negotiations over the so called fourth Lome Convention, as well as special access to the EC for a range of agricultural and industrial products from developing countries. The process of renewing the present agreement, which expires in February, 1990, began almost a year ago. Although similar resolutions have been frustrated in previous Lome negotiations, EC diplomats say that the French Government is determined to reach an agreement before the end of its six-month Presidency. Others point to the growing obsession within the EC with East/West politics and the relatively lower level of interest in North/South affairs.

Commission questions French airline pact

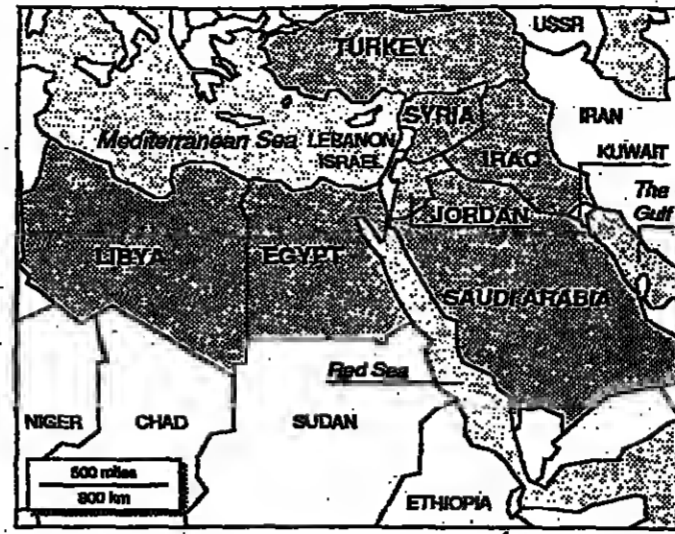
By Tim Dickson in Brussels

FRANCE and the European Commission are set for another battle over competition policy following a decision by the Brussels executive to "engage in a dialogue" over the terms of a controversial route sharing agreement between Air France and its domestic rival Air Inter. The issue is delicate because the Commission is engaged in a broader investigation of the French air transport industry. A decision will have to be taken soon, for example, over the complaint of another French airline, UTA, that the Paris Government has rejected its application to fly to various European destinations, while the cross shareholdings in Air Inter (in which UTA and Air France both have a 35 per cent stake) has also been put under the Commission microscope. Besides the inevitable French pressure being exerted in Community corridors, the attitude of the Brussels authorities may be shaped by tactical considerations during discussion of the Commission's latest airline liberalisation package. France is known to be distinctly lukewarm about aspects of these proposals and there are those in Brussels who feel that tough application of the competition rules in the cases now being scrutinised will only complicate negotiations in the Council of Ministers when they get under way at the end of the year. Others, notably Competition Commissioner Sir Leon Brittan, argue effective use of the Commission's powers is the only way to achieve a freer market in air transport.

Islamic grid may not be pylon-in-the-sky

Tony Walker reports on proposals for huge regional electricity networks

MR MOHAMMED Maher Abaza, Egypt's Electricity Minister, could not be accused of allowing small problems like lack of money and disbelieving colleagues, stand in the way of his grandiose schemes.



An eccentric in an Egyptian cabinet dominated by cautious technocrats, the talkative Mr Abaza appears on the verge of seeing some of his more improbable dreams come true, and in the process, to his immense satisfaction, he is confounding the sceptics. "The projects that I had thought of (to link Egypt with the power grids of Europe) are going to be more than a dream," he said in an interview recently.

Several years ago, when Mr Abaza first began talking about developing pan-Arab and pan-African power networks to share energy regionally, and also to tap into the European grids through Morocco and Turkey he was not taken seriously. Today, steps are under way to link Egypt with Jordan, and studies have been commissioned into developing African and Arabian regional networks. The latter, to include Turkey, is being referred to as the "Islamic grid".

grids by cable under the Gulf of Aqaba.

The award of an Arab Fund for Economic and Social Development-financed \$650,000 contract to a Canadian consortium of Hydro Ontario and Hydro Quebec International to draw up a "master plan" for the Islamic power network.

tract to Hydro Quebec in association with Canada's Levain International and several local groups to study the possibility of linking Gulf Co-operation Council states - Saudi Arabia, Qatar, United Arab Emirates, Bahrain and Kuwait - in an Arabian peninsula network. Advanced plans to join the North and South Yemen power grids.

Studies into the possibility of building a new 12-nation Mashreq power system based on the six states of the Gulf Consultative Council, the two Yemenis, Iraq, Jordan, Syria and Lebanon.

Mr Abaza estimates that the Islamic Grid will be completed within about five years. The pan-African scheme will take considerably longer, and it is most unlikely that the first phase linking Egypt and Zaire would be completed this century.

Egypt's Electricity Minister believes that regional networks and the sharing of power surpluses, would lead to huge savings for the participants. He said that among the five signatories to an agreement to establish the Islamic grid, Iraq and Turkey had large reserves of electricity which could be shared regionally.

Mr Abaza said political difficulties between Syria and Iraq - the two regimes have been at loggerheads for years - were not interfering at this stage with plans for a regional network. "Economic concerns are the main issue for the parties to the agreement," he observed. The minister is being a little ingenuous in suggesting that political factors are insignificant. Cairo's own interest in joining its power grids with its southern neighbours serves

a useful diplomatic purpose by helping to emphasise Egypt's African dimension. Egyptian concerns about the security of its Nile water supplies has obliged it to nurture its African links, for the river rises in two African states and flows through several others on its passage to Egypt.

Egypt's recent scare over the long years of drought in its African hinterland and the consequent reduction in water flowing through the great turbines of the Aswan high dam is another factor that has prompted the Egyptians to attempt to tap into a strategic reserve of electric power.

Electricity Ministry officials make no secret of the fact that for the foreseeable future Egypt will not be generating sufficient electricity to meet demand at peak periods. The authorities are fighting a tough battle to increase generating capacity at a fast enough rate to cope with demand which is expected to rise at an average annual rate of 11 per cent for the coming decade.

Surpluses available from its neighbours would help to ease pressure on Egypt at a time when funds for investment in new infrastructure projects are being squeezed. If Egypt could share the surpluses of others it would help to solve one of its most critical problems.

S Africa sells China coal

CHINA, which has traditionally shunned ties with white-ruled South Africa, is buying coal from Pretoria, a Dutch monitoring group said yesterday, Reuter reports from The Hague.

The first of 10 shipments was unloaded in the southern province of Guangdong in June, according to the Shipping Research Bureau, a body which monitors South Africa's oil and coal trade.

"For a long time China, as a socialist country, did not maintain trade relations with South Africa. Lately a change in this policy could be noticed. China has begun to import South African steam coal," the bureau said. The United States and several European nations have imposed a complete or partial boycott on the import of South African coal as part of a protest against apartheid.

A boost was given to plans for the grid when electricity ministers from Jordan, Egypt, Iraq, Syria and Turkey agreed in Amman earlier this year to co-operate in building a regional network that would eventually be connected with Europe. The proposal for an Islamic grid is just one of a number of regional schemes being studied at present. Among various new developments are: A Jordanian-Egyptian agreement to proceed with a \$170m scheme to link their power

more fully natural gas as the fuel for generating electricity. The programme, to be funded by the US Agency for International Development, includes the construction of a combined cycle unit at the Cairo South power station, the overhaul of the Cairo West power station and the refurbishing of gas turbines at a number of other locations. The US has stepped up its assistance for energy projects following Egypt's decision earlier this year to increase electricity prices. The Americans had been withholding more than \$200m in assistance, pending action on prices.

Egypt and US sign \$136m power deal

By Tony Walker in Cairo

Egypt and the United States have signed a \$136m agreement to rehabilitate and extend existing power stations and expand Egyptian efforts to maximise generating capacity. The US embassy said the aim of the project was to increase generating capacity, to rehabilitate existing generating facilities and to utilise

more fully natural gas as the fuel for generating electricity. The programme, to be funded by the US Agency for International Development, includes the construction of a combined cycle unit at the Cairo South power station, the overhaul of the Cairo West power station and the refurbishing of gas turbines at a number of other locations. The US has stepped up its assistance for energy projects following Egypt's decision earlier this year to increase electricity prices. The Americans had been withholding more than \$200m in assistance, pending action on prices.

US grants Hungary MFN status

BY Nancy Dunne in Washington

US PRESIDENT George Bush yesterday, halting "the rebirth of Hungary as an entrepreneurial nation," formally signed legislation granting Most Favoured Nation (MFN) trade benefits to Hungary on a permanent basis. The signing came after Hungary last month met US criteria for MFN status by codifying a free emigration law. President Bush has been strongly criticised for offering Hungary only \$25m to establish an enterprise fund, \$5m to open an environmental centre and \$5m for a cultural and exchange programme. But he insisted yesterday that the "we're not passive observers" to reforms in Eastern Europe. "Let no one doubt our commitment to freedom's success in Eastern Europe, for we know that we are privileged to participate in a very special moment in human history," he said. Mr Fred Zeder, president of the Overseas Private Investment Corporation (Opic), the US agency which insures investors in developing nations against political risk, two weeks ago visited Hungary and signed an agreement to extend Opic's coverage there, although Congress has not yet authorised the move. President Bush has also promised to grant MFN status to the Soviet Union, once a law allowing free emigration is in place. There is speculation in Washington that President will grant at least temporary MFN to the Soviet Union at his spring summit with Soviet Leader Mr Mikhail Gorbachev.

Uncertainty on farm talks

By William Duilforce in Geneva

AFTER THE European Community's swift dismissal of the latest US proposal on farm trade reform, the question in Geneva yesterday was whether Washington's initiative will help the talks forward or return them to the deadlock between Washington and Brussels that nearly stalled the Uruguay Round last year. Initially, the US paper was applauded as the first attempt to co-ordinate in one programme all the elements that would have to be negotiated, if the costly distortions in farm

trade are to be removed. Support from the 13-nation Cairns group of farm exporters was not surprising. But, significantly, the US proposal was warmly received by the Latin American countries within the group, such as Argentina, Brazil and Uruguay, which had halted the trade ministers' meeting at Montreal in December because of their anger over the impasse in the farm talks. Japan, the biggest net food importer, had reservations about the practicality of the US proposal.

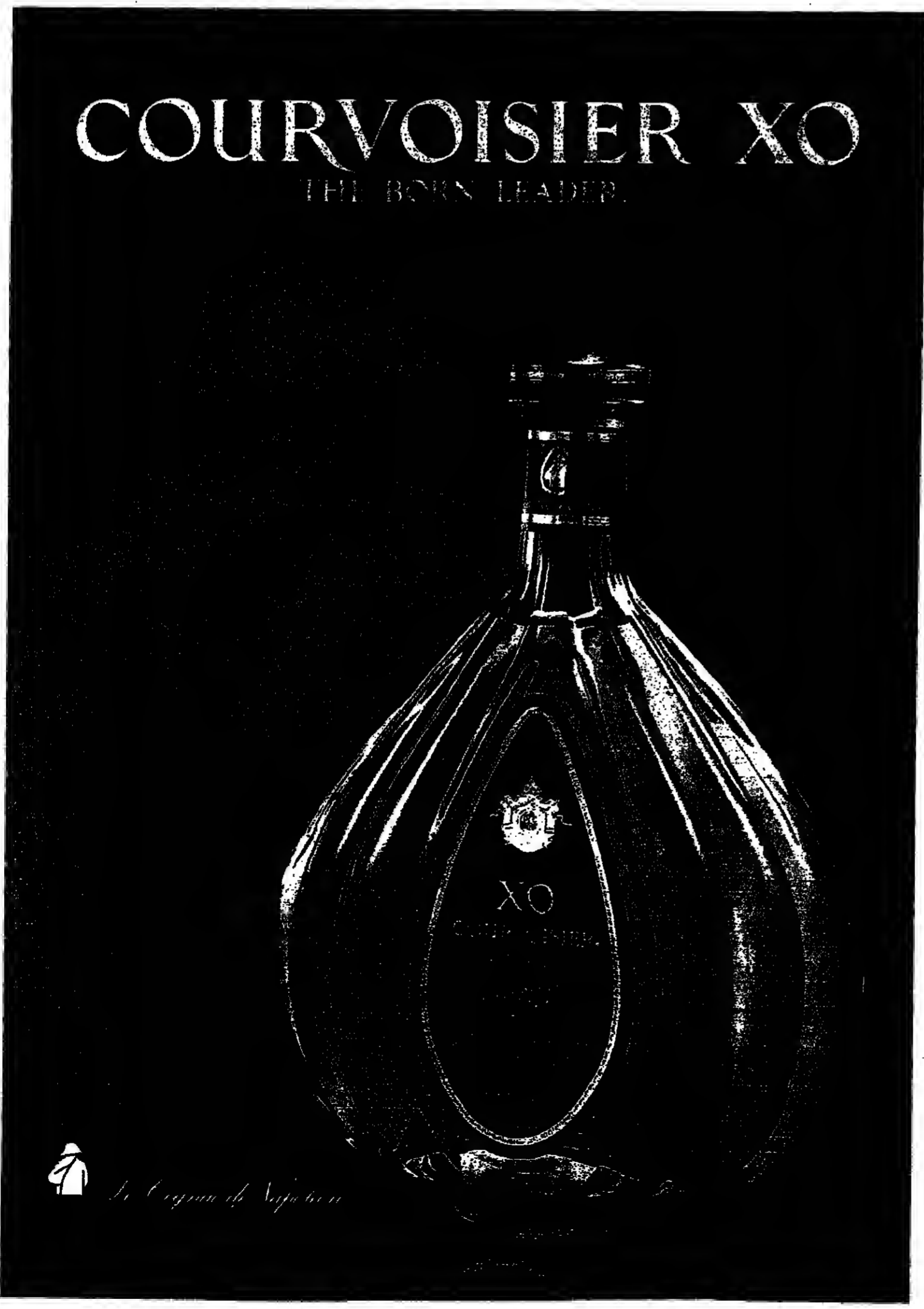


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**UK NEWS**

**Government 'will not subsidise high-speed link'**

By Kevin Brown, Transport Correspondent

MR CECIL Parkinson, the Transport Secretary, has officially informed British Rail that the Government will not subsidise the construction of its proposed high speed line from London to the Channel Tunnel.

The decision means the BR board will have to abandon plans to table a private Bill in November seeking legislative authority for its preferred route from Folkestone, on the south coast to King's Cross and Waterloo stations in London.

However, the board is likely to be sharply divided over its next move when it meets to make a final decision on the line next Thursday.

BR is still talking to two private sector consortia interested in building the line, but both say environmental improvements which have increased the cost from £1.7bn to up to £2.5bn mean it is not viable without a Government subsidy of more than £1bn.

One group of board members believes BR's public image has been so damaged by the high speed line saga that it should drop the project. This would mean relying on upgrading existing track to cope with Channel Tunnel traffic.

The board members in favour of this option believe BR has enough capacity on lines in Kent and South London to handle Channel Tunnel trains until the end of the Century. However, services would probably be restricted to 100mph, compared to more than 180mph in France.

A second group of directors favours tabling an alternative Bill to construct a line from the tunnel portal to Swanley,

**Engineering sides fail to agree**

By Michael Smith

HOPES OF avoiding strikes next week at Rolls-Royce and British Aerospace were dashed yesterday after employee negotiators failed to agree a basis for formal talks.

The Confederation of Engineering Unions said indefinite strikes would begin at British Aerospace's Chester and Preston plants in north-west England, and at Rolls-Royce's Glasgow factory would start at around 6am on Monday morning.

The Engineering Employers' Federation announced the failure to agree a basis for talks after meeting representatives of companies, including British Aerospace and Rolls-Royce which are threatened with industrial action.

It said demands presented by the CEFU on Wednesday as the union's "irreducible minimum" were not an "acceptable basis on which to resume discussions."

"It is clear, therefore, that a new national agreement cannot be negotiated at present."

Wednesday's discussions, held on an informal basis, were the first between the CEFU and the EEF since talks on a national hours agreement broke up in April.

In response to the union's claim for a 37-hour week, the EEF had offered 37½ hours but insisted they would have to be self-financing and negotiated on a local basis.

Subsequently the manual worker unions joined forces with their white collar colleagues to campaign for a 35-hour week. Strike ballots last week at seven engineering plants, chosen to spearhead the campaign, showed strong support among manual workers for the campaign, but white collar workers voted against striking.

**Companies seek tax harmony**

By David Waller

A BIG majority of the UK's largest companies are in favour of harmonisation of corporate taxes in Europe, a survey conducted by the Confederation of British Industry for the Institute of Fiscal Studies has found.

The companies feel that their investment decisions are distorted by tax considerations and therefore endorse a move towards harmonisation in this area. The IFS points out that if the European Commission follows this route, it will cause cooperation between Brussels and a UK government zealous to preserve its sovereignty in this area.

Tax rates now range from 10 per cent in Ireland to 56 per cent in some cases in Germany. The Commissioner for tax harmonisation in Brussels is considering options for reform, and the Commission has earlier called for a principle that companies' tax burdens in the community should be more closely aligned.

The IFS suggests that if after 1992, trade barriers are removed from country to country, tax considerations will become even more important.

Nearly half the 173 large companies polled said that tax was always a major consideration when deciding where to locate a new production plant: around 90 per cent said that some form of harmonisation of the tax base and the rates charged was desirable.

The extent of the distortion was illustrated by the IFS's own research which showed that to earn a given after-tax return on his investment, a UK company must earn almost twice the rate of pre-tax return in Germany as in Ireland.

The IFS recommends that the most pragmatic way to bring about harmonisation is to abolish withholding taxes on profits repatriated from one country to another. Under this arrangement, foreign companies are taxed at a higher rate than domestic companies and the IFS calls this "the most blatant discrimination against companies operating in certain countries". Leaving rationalisation to market forces would be equally unworkable, the IFS said.

\*Corporate Tax Harmonisation and Economic Efficiency, by Michael Devereux and Mark Pearson. Available from IFS, 180/182 Tottenham Court Rd., London W1P 9LE, price £10.

**Unit trust sales hit £1bn in September**

By Eric Short

INVESTORS bought £1.07bn worth of unit trusts last month, according to figures issued yesterday by the Unit Trust - the first time that the monthly sales figure has passed the £1bn mark since the October 1987 stock market crash.

Although the amount of units redeemed by investors in September, at £564m, was the third-highest monthly redemption figure this year, net new investment in unit trusts, at £504m, also reached its highest level since the 1987 crash.

However, unit trust managers do not expect the recovery in the fortunes of the unit trust industry to be maintained in October.

First, September is historically a good month for unit trust investment, while October tends to lag behind somewhat. There was also strong institutional buying last month.

Second, there were 16 new trusts launched during September and new funds tend to attract more investment than initial funds. For example, the new European Dividend Fund from leading managers, the M&C Group, attracted £68m.

However, managers are having to cope with investor reaction to the dip in the market on October 16 and the subsequent volatile markets worldwide. Preliminary indications are that investors generally did not lose their nerve as in the October 1987 stock market crash.

There was above-average selling of units on the Monday, but no panic selling. There has been above-average redemption of units since, but also steady buying.

Two of the management groups with cash fund unit trusts - Fidelity and Gartmore - saw many investors switching into the cash funds, which can be done without penalty, rather than outright selling of units. Subsequently, some investors have been switching back out of the cash fund, which is on cheaper terms than fresh purchase of units.

Total gross sales of units in the first nine months of this year at £7.6bn have already passed total sales for last year of £7.68bn, while net new investment to date, at £2.88bn, is well ahead of last year's total of £1.8bn.

Despite good net investment figures last month, the total value of funds under management declined slightly over the month from £56.09bn to £55.04bn, reflecting the erratic movements in world markets.

**UniChem to boost cheap drug imports**

By Peter Marsh

UNICHEM, one of Britain's biggest two drug wholesalers, has decided to include in its product range medicines bought from other European countries where prices are lower.

The decision may annoy the UK drugs industry, which fears that higher imports of low-price products could hurt sales and profits.

UniChem will next week offer its pharmacist customers 60 popular prescription products bought from countries such as Belgium, Italy and Greece, where medicine prices can be half that of Britain.

They will be shipped in by Steptax, a Dutch-owned drug distributor with a UK base in Great Yarmouth, on the east coast.

The drugs will be made overseas largely by the same multinationals as produce them in the UK.

They are cheaper because of differing pricing regulations among European governments. These differentials are seen at the European Commission as a serious anomaly which officials hope will be reduced significantly after creation of the single European market.

Big drugs companies view the differentials with mixed feelings. The range of prices makes pan-European marketing difficult, but the industry is anxious to maintain high prices in countries like Britain, Holland and West Germany, to boost overall profitability.

UniChem's move follows a decision last year by AAH Pharmaceuticals, the other big UK pharmaceutical distributor, to include imported medicines in its range.

Pharmaceutical wholesalers buy drugs from manufacturers and sell them to Britain's 12,000 pharmacist outlets. If pharmacists can buy medicines at cut prices, they can boost their profits as they are reimbursed by the Government for drugs sales at fixed rates.

UniChem and AAH between them distribute about a quarter of Britain's annual pharmaceutical sales of some £2.2bn. Imported imported drugs account for only about 5-10 per cent of the total but the proportion has been growing rapidly as more pharmacists, mainly supplied by small wholesalers have said they are keen to handle these products.

**Barclays to shed 2,500 jobs**

By Paul Cheseright

BARCLAYS, the largest of the Big Four British commercial banks, will slow recruitment as it sheds around 2,500 jobs as part of a drive to increase efficiency.

But there will be no compulsory redundancies, the bank says. Rather jobs will disappear through natural wastage and a reduction in the number of people hired every year.

On average Barclays recruits more than 4,000 people a year. This number is expected to drop perceptibly from 1991 at a time when demographic trends suggest that there will be fewer school-leavers coming on to the market.

How the reduction in the number of jobs will take place is now the matter of discussion within Barclays and follows a long-running review aimed at cutting costs and improving profit margins.

Barclays employs 57,000 people, the vast majority of whom are engaged in clerical work. Part of the review is directed towards shifting people away from such paper processing to sales and customer services.

At the same time Barclays has been reviewing the management of its branch network and will move towards a system where branches are managed in clusters rather than individually.

It is also moving towards greater automation in areas like document handling. The changes will be spread over several years.

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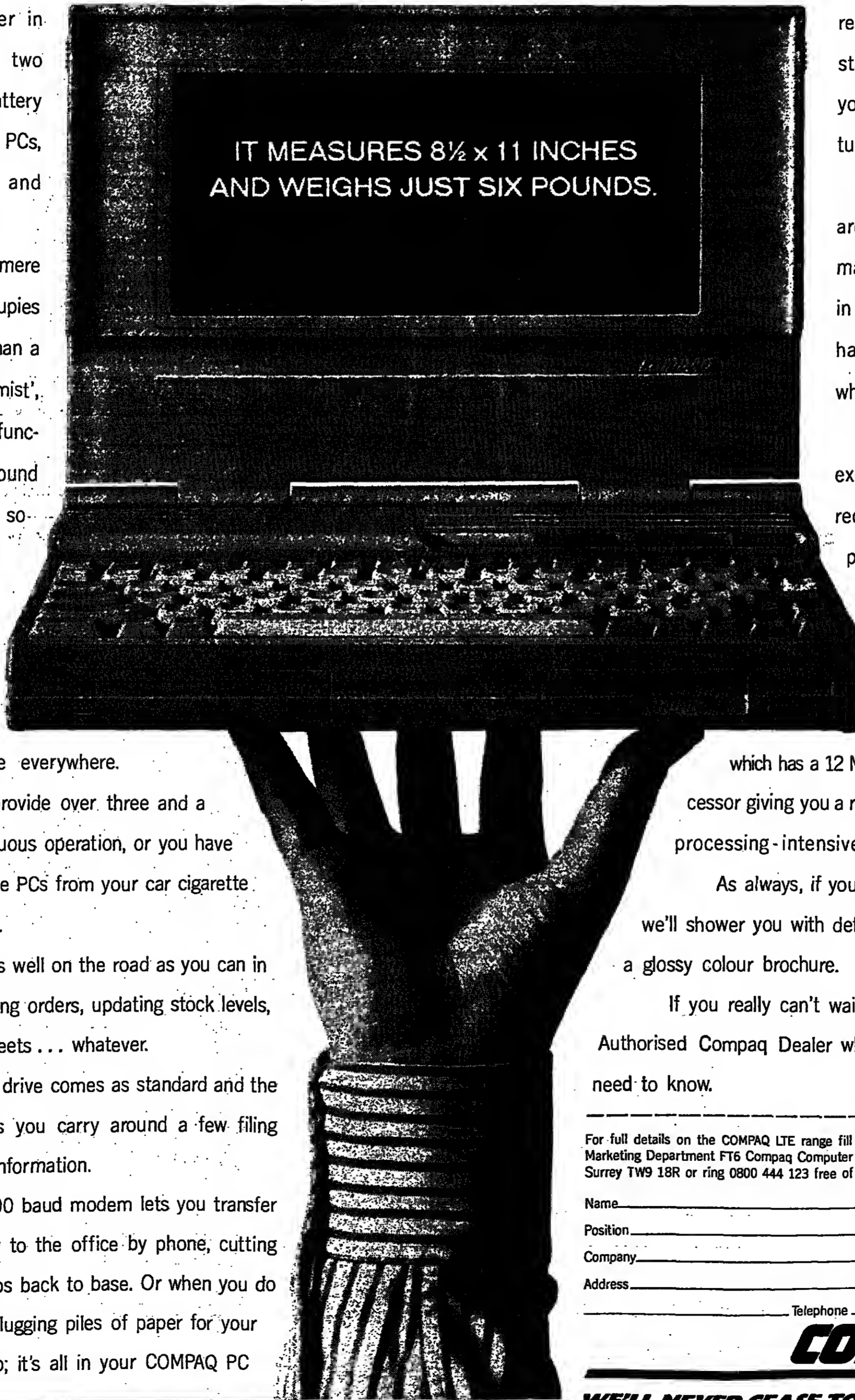
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## FT LAW REPORTS

### English court can hear shoe case

**TESAM DISTRIBUTION LTD v SCHU-MODE TEAM GMBH AND ANOTHER**

Court of Appeal (Lord Justice O'Connor, Lord Justice Stocker and Lord Justice Nicholls): October 20 1989

THE COURT's power under the Civil Jurisdiction Convention to hear contract cases against defendants domiciled in Convention states does not depend on the established existence of the contract and it will proceed to hear a breach of contract claim, though the defendant denies there was a contract, if the evidence shows there is a serious question to be tried as to its existence.

The Court of Appeal so held when allowing an appeal by the plaintiff, Tesam Distribution Ltd, from Mr Justice Roullet's decision that the English court had no jurisdiction to hear its breach of contract claim against the second defendant, Commerzbank AG. Proceedings were not served on the first defendant, Schu-Mode Team GmbH, Tesam's appeal from the judge's decision that the court had no jurisdiction to hear a claim in tort against the bank was dismissed.

LORD JUSTICE NICHOLLS said that Tesam carried on business in London as an importer and distributor of shoes. The defendant bank and Schu-Mode, a supplier of shoes, carried on business in Germany. Neither had a seat in the UK.

Tesam served a writ out of the jurisdiction on the bank. Leave to serve was not necessary because it was a "Convention case" under the Brussels Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters.

The writ was endorsed with a statement of claim. It alleged that a binding agreement was made between Tesam and Schu-Mode acting on behalf of itself and the bank, for the purchase and sale of 34,500 pairs of spring shoes at £5 a pair and 32,500 pairs of winter shoes at £10 a pair.

The statement of claim first sent by Schu-Mode on August 4, confirmed its agreement to deliver the spring shoes at £5 a pair in London. The second, also sent by Schu-Mode on August 25, said its bank had not accepted Tesam's offer and wanted £7 for the spring shoes and £13 for the winter shoes.

It was alleged that Schu-Mode did not deliver the spring shoes or the winter shoes. The relief claimed in the action was damages against Schu-Mode and the bank for breach of contract, and damages against the bank for the tort of inducing breach of contract.

The bank's case was that Tesam had not crossed the threshold which must be cleared before an English court had jurisdiction under the Convention to hear the claims.

The Convention had the force of law in the UK under section 2(1) of the Civil Jurisdiction and Judgments Act 1982. Section 3(1) provided that any question as to the meaning or effect of the Convention should be determined by European Court principles.

Article 2 of the Convention set out the basic provision regarding jurisdiction: persons domiciled in a contracting state should be sued in the courts of that state.

There were exceptions. Article 5 provided that a person domiciled in a contracting state might be sued in another contracting state "(1) in matters relating to a contract, in... the place of performance of the obligation in question... (3) in matters relating to tort... where the harmful event occurred."

There was no reason to doubt that the two claims fell four-square within the Community concepts of contract and tort. Nor was there any doubt that "the place of performance of the obligation in question" was England. The complaint was breach of contract in not delivering the shoes in London.

The dispute was as to whether there ever was a contract between Tesam and the bank.

In *Effer v Kentner HCJ* case 33/81 March 4 1982 the European Court held that a plaintiff could invoke the jurisdiction of place of performance under article 5(1), when the existence of the contract on which the claim was based was in dispute.

In the course of its decision it said that article 5(1) should be construed as meaning that the court might examine the

essential preconditions for its jurisdiction having regard to "conclusive and relevant evidence adduced by the party concerned, establishing the existence or non-existence of the contract."

Mr Layton for the bank fastened on those words. He submitted that to have jurisdiction under article 5(1) the court must be satisfied by "conclusive and relevant evidence," adduced by Tesam, of the existence of the contract - that it must be satisfied on Tesam's evidence at the interlocutory stage that the claims would succeed.

The passages in *Effer* emphasised by Mr Layton could not bear the interpretation he sought to place on them. The European Court was saying no more than that, faced with a claim founded on a contract whose existence was in dispute, the national court had jurisdiction to consider and determine the existence or not of the contract, having regard to sufficient and proper evidence adduced by the party concerned.

Jurisdiction under the Convention was not a matter of discretion. Nevertheless, bearing in mind that the article 5 jurisdiction was an exception to the general rule in article 2, the English court would be astute to see that frivolous or vexatious claims for the existence of a contract were stopped summarily at the outset, either under Order 18 rule 19, or under the court's inherent jurisdiction.

There must be evidence establishing a genuine and real dispute. The court should be satisfied that there was a serious question which called for a trial for its proper determination.

If at the outset, when the court was considering whether it had article 5(1) jurisdiction to entertain the claim, it was apparent that the claim had no real prospect of succeeding, the

court should say so and decline to permit the action to proceed.

In carrying out that exercise the court should look at all the evidence which had been adduced by the parties. Whether that evidence raised a serious question, which called for a trial for its proper determination, would depend on all the circumstances in each case.

Tesam's evidence established that there was a serious question calling for a trial for its proper determination.

The August 4 telex appeared to be a firm acceptance of an offer for the spring shoes with agreed terms as to payment and delivery. No explanation had been forthcoming from the bank about the precise ownership of the shoes, or what lay behind the telex of August 5. It would not be right at this stage and on the evidence to conclude that Schu-Mode had no authority from the bank to accept an offer for the spring shoes.

The same approach was adopted with regard to article 5(3) in respect of the alternative claim in tort. Did the evidence establish there was a serious question, which called for a trial for its proper determination, as to whether the bank had committed a tort by which the harmful event occurred in England?

At the outset the court had invited submissions from both parties on whether Tesam, under ordinary principles of English law, had a seriously arguable case that the bank had committed the tort.

Having heard such argument the conclusion was that Tesam did not have a seriously arguable case.

On the evidence the bank owned or had a charge over the shoes. Thus its refusal to concur in a sale by Schu-Mode would not, give Tesam a cause of action against it.

The judge's decision on the tort claim was upheld, but his decision on the breach of contract claim was set aside.

LORD JUSTICE STOCKER gave a concurring judgment. LORD JUSTICE O'CONNOR agreed.

For Tesam: John Mabelle Williams QC and Nigel Cooksley (Black Gray & Co)  
For the bank: Alexander Layton (Mauray Barrie & Scott)

Rachel Davies  
Barrister

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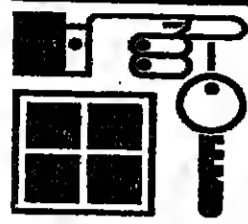
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# FINANCIAL TIMES SURVEY



**Scotland's property market is surging ahead, and its inner cities are taking the lead in retail**

development. However, there are question marks over the potential supply of office space in central locations for migrating companies. James Buxton reports.

## Going up in the world

NO one surveying the property scene north of the border can fail to be convinced that Scotland is coming up in the world. Physically, new buildings of impressive quality and scale are being built or planned for the country's two leading cities. More subjectively, Scotland is increasingly being recognised as a fine place in which to live, to spend leisure time and to do business.

The upgrading of the value of both commercial and residential property in Scotland, and the new opportunities which that offers, could presage a more than economic prosperity spreading northwards from the south of England. But there is more to it than that: local authorities and business people in many towns in Scotland are determined to find new roles for their communities and to shake off past images of decay or complacency.

The most obvious sign of this new attitude is Glasgow where vigorous construction work is transforming the central business area and creating high quality new retail developments in the shopping streets. Dreams hatched at the beginning of the decade of developing a more attractive city based on service industries

rather than manufacturing are coming to fruition.

But it is only in the past two years that the mood of economic well-being in Glasgow has become widespread. In that period office rentals have almost doubled to touch £15 per sq ft, putting Glasgow on a par with Birmingham and other leading British provincial cities, and making future developments more appealing to investors.

Glasgow's Labour-dominated district council shares the private sector's determination to revive a city that once styled itself the "second city of the empire". The result is that office and retail schemes, not to mention the council's own project for a £24m concert hall, are pushed forward with tenacity.

Glasgow also has the advantage for property development of having fewer restrictions caused by the need to preserve old buildings, while its business community is modern-minded. "They'd rather move into a building designed for modern office needs than mess around preserving an old Georgian cornice," says Mr Ted Webster of Richard Ellis.

Edinburgh, 45 miles away, has different attitudes. Conservation of the city's fine Georgian centre has been rigorous, but for long the city fathers displayed little vision about the city's other possibilities. Ironically it has taken a Labour administration of the sort left, which for some time after coming to power in 1984 was maintaining that financial services employment amounted to "Mickey-mouse jobs", to spearhead important new property developments in the city.

Only in 1987 did the council demonstrate that it was keen to encourage more office development in the city centre. But given the size, complexity and



High-technology and tradition meet behind a Victorian facade in the Prince's Square shopping centre, Glasgow

# Scottish Property

development of the city centre - notably the vast Lothian Road scheme including a 1,200-seat conference centre - it will be well into the 1990s before demand for office space in the centre of Edinburgh is satisfied. The city centre has no units of more than 10,000 sq ft available and rents have risen for top quality accommodation from about £7 to touch £20 per sq ft since 1985.

But the schemes underway or being considered for the centre should give Edinburgh more flexibility in the 1990s, while the office and workshop

developments on the western edge of city, where some new retail schemes are also to be located, will create an alternative to the increasingly crowded centre where car parking is difficult and the regional council lacks a convincing traffic policy.

In both cities questions are raised about eventual oversupply of office space. The cyclical nature of British property development in provincial cities, where sudden increases in rents make viable projects which were previously considered uneconomic, can produce alternating gluts and short-

ages. Glasgow has traditionally been a steadier market than Edinburgh but both cities could have some over-supply in the early to mid 1990s.

Mr Neil Munro, director in Scotland of London & Metropolitan, which has a number of office developments in both cities, believes that Glasgow may be a better long-term investment prospect than Edinburgh because possibilities for rental growth are higher. Yields for prime offices in Edinburgh - in the Charlotte Square/St Andrew Square area - are about 5.25 per cent against 5.5 per cent for top

quality properties in Glasgow. Both Glasgow and Edinburgh have high hopes of attracting companies and organisations from the south of England to relocate in Scotland. Only Glasgow is now coming into a position to market itself seriously as a relocation destination as it acquires high quality buildings with available space. Edinburgh will have to wait for several years. A modest number of organisations have moved some of their operations to Glasgow.

Apart from offering lower office rents and cheaper wages and operating costs than the south, Scotland can point to a recent study by the Reward Group demonstrating that it has the highest standard of living in Britain: when living costs are deducted from salary a middle manager's net pay is 16.6 per cent above the national average. Scottish cities, especially Edinburgh and Aberdeen, score highly in tests of the less easily quantifiable "quality of life".

It is far from clear whether these advantages will be sufficient to lure large numbers of organisations wishing to leave the south to the cooler and culturally different atmosphere of Scotland: experience so far shows that most of them want to remain within about 150 miles of London.

But better quality of life has been a factor in attracting expatriate Scottish and mobile English families to Scotland in the past two years, helping to trigger large increases in house prices, especially for the bigger houses. The builders of executive homes in Scotland are doing well and schemes are being mooted for developments of executive type property in rural areas, such as the Borders and near Perth. The fastest growing town in Scotland may be Inverness, the capital of the Highlands, surrounded by superb landscape. And sporting estates in the Highlands are changing hands at record prices.

The Government should soon make its biggest direct contribution so far to the Scottish property scene - apart from encouraging the sale of council houses - by presiding over the disposal of the large portfolio of industrial property held by the Scottish Development Agency. For years the SDA has built speculative and bespoke factories all over the Lowlands of Scotland, largely forcing the private sector out of this sector of the property

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Review of cities - Glasgow, Edinburgh and Aberdeen	2
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Retail; Industrial; Cost of housing	4

market. There has been virtually no rental growth in industrial property for about 15 years.

The SDA's portfolio has now been assessed and is expected to be sold simultaneously in two tranches, one of which might fetch £150m and the other £40m, according to Mr Roy Durie, who specialises in industrial property for EYD in Edinburgh. It had been thought the sale might take place this autumn, at least until the latest interest rates rise.

Critics, notably Mr Allan Campbell Fraser of DCL a Glasgow developer, argue that the sale will divert institutional funds from new property developments and swamp the market. He thinks it should be phased over a longer period.

Mr Durie agrees that it could absorb institutional funds but thinks "it will create an attitude to industrial property that has not existed before: it will not necessarily reduce the number of future investments and could increase it." He nevertheless adds: "It's unfortunate that the portfolio was not available a year and a half ago before prices peaked."

The SDA industrial property sale is expected to be followed by the sale of the property assets of the five Scottish new towns, which include housing, factories, retail and office properties with an approximate value of £200m.

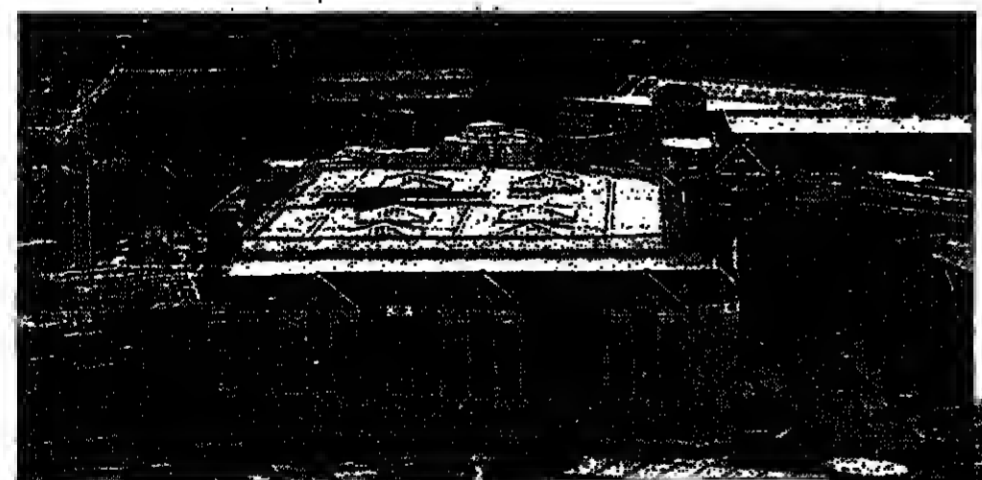
The SDA has played an important role in property development over the past decade. It has launched projects that have vastly improved the perception of parts of Glasgow, Edinburgh, Dundee and elsewhere. It has helped push forward major schemes in Glasgow and at times bridged the ideological gap between property developers and local authorities, notably in Edinburgh. By advancing into areas from which the private sector initially shrinks it has shown how the public sector can accelerate the pace of urban development.


It is not clear how this property development role will be carried out when the SDA is shortly transformed, being given the new name of Scottish Enterprise, and winning new powers as a result of decentralisation. But in several parts of Scotland the current tide of private sector property activity suggests that the SDA has already fulfilled successfully the role for which it was intended.


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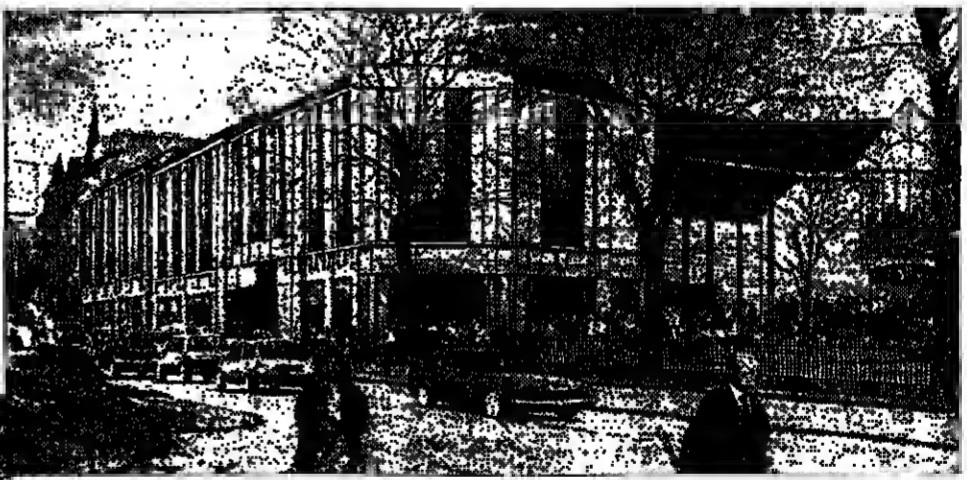
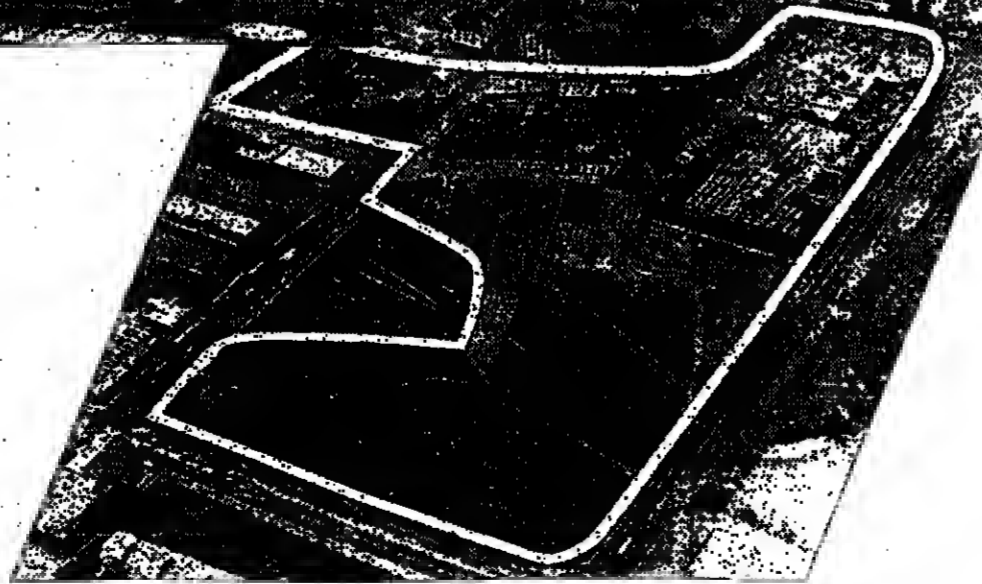
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
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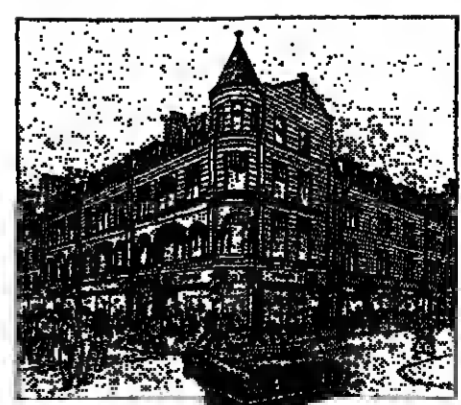
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SCOTTISH PROPERTIES 3

English entrepreneurs are pushing up country property prices

# Europe's last wilderness

IT IS STILL possible to become landed gentry in Scotland for less than £1m - but only just. A wave of acquisitive English entrepreneurs has pushed the price of country property to unprecedented peaks, and property agents are basking in excess demand that has become a distant memory in the south.

Foreign buying of Scottish country estates is nothing new. Prince Albert bought Balmoral in 1847 for the young Queen Victoria. A century and a quarter later the Dutch, starved of open spaces back home and helped by a strong guild, took a shine to the region. They were followed quickly by Scandinavians and then a cross-section of Middle Eastern buyers - including the Al-

**Buyers want to be able to shoot grouse, fish for salmon and stalk deer on land of their own**

Fayed brothers, who own Harrow. Since the young of this decade the English have returned.

What attracts them all is the ownership of open spaces. "The last wilderness in Europe," is the estate agents' catchphrase. Buyers want to be able to shoot grouse, fish for salmon and stalk deer on land of their own. In the environmentalist fashion, wilderness has become particularly desirable.

The moorlands and mountains have never been closer to London. The A9 road from Edinburgh to Inverness was rebuilt in the mid-1980s. Regular shuttle aircraft from Glasgow and Edinburgh to London means that a trip from the Highlands to the City can take less than three hours.

Property agents say that the fax machine and the telephone make for a ready market for retiring financial advisers.

Demand continues to outstrip supply. Scotland has had a historically low population, concentrated, since the industrial revolution, in and around cities. Add to that a century of the accumulation of land into ever larger estates. The result is not many huge houses, even

fewer middle sized ones and a handful of cottages.

The flow of new properties put up for sale is irregular. They tend to come onto the market either because the owner has died and the successors have less enthusiasm for the estate, or the cost of upkeep has become too high.

The result is inflation. Mr William Jackson, of estate agent Knight Frank and Rutley in Edinburgh, estimates that this year alone prices have risen 35 per cent across the board. This summer, the island of Gigha - 6 miles long, 1 1/4 miles wide, 3 miles off the Kintyre peninsula and including a fish farm - was sold for £6m.

Mr Andrew Rennie, at estate agent Strutt and Parker, divides residential country houses into three categories and country houses. The former consist of between 3,000 and 50,000 acres and the most popular include a cross section of country sports: deer stalking, grouse shooting and salmon or trout fishing. They have a shooting lodge, couple of cottages for staff, and usually cost between £750,000 and £5m. Such estates have doubled in value since the start of 1989, says Mr Rennie.

The price is set by reference to the numbers of deer and grouse killed and fish caught in a year, as well as acreage. Location matters little, says Mr Rennie, because of the increase in the number of air connections from Inverness and Aberdeen. The buyers are largely English, but there are also Scandinavians, Germans and Belgians.

The other market is in country houses, much sought after by a new generation of financial services professionals attracted to Edinburgh, which is promoted as Europe's second financial capital after the City of London. A typical country house comes with five acres of land and costs between £400,000 and £1m - about 250 per cent higher than at the start of 1987.

In common with other agents, Mr Rennie remains confident that the price stagnation of the south will not spread to Scottish country property in the short term. "There is at least a couple of year's growth in the Scottish sporting estate

market, especially from European buyers."

According to Knight Frank and Rutley, £1m can still buy 1,000 acres of a mixed estate in central Scotland, a five bedroom, five reception room house with outbuildings and maybe cottages. Even that is not as expensive as it looks, because the sale of hunting shooting and fishing rights can cover much of the running

**With the shuttle service, a trip from the Highlands to the City can take less than three hours**

costs. Few buyers need to resort to such money raising ventures, however.

If you want more country for your cash you must go further away from the airports, to the far west of Scotland. On the Isle of Skye the asking price for a five bedroom house in 8,000 acres - mostly wooded but including two mountains over 2,500 feet high and some loch frontage - is just £300,000. Agents are keen to give the

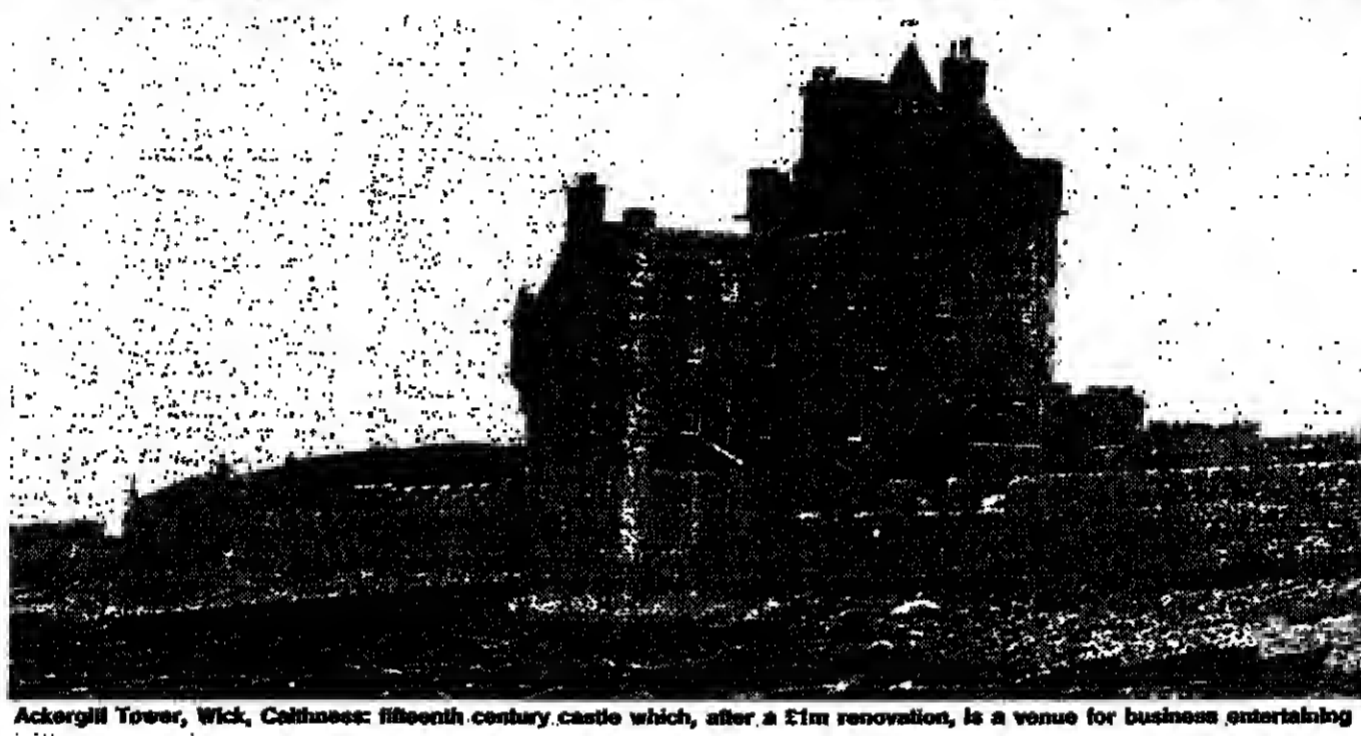
impression that local populations welcome their new and richer landlords.

Scotland's archaic property laws add spice to any deal. In principle the seller of land can specify the retention of certain rights, such as mineral rights. The exercise of these rights is rare, but one recent seller did specify that new owners should not use the land for forestry.

Such is the demand for sporting estates that even farms with the odd patch of woodland or trout ponds attract a healthy premium. With a restored farmhouse, they can fetch more than £2,000 an acre and are classified as a residential unit.

There is less call for commercial farms, costing £1,600 to £1,700 an acre. Even here, however, prices are firm as prosperity leaks from the south. Much of the demand comes from English farmers on the edge of urban developments. They sell up to house builders and move. "It is very attractive to be able to sell 200 acres in one part of the country and buy 600 acres up here," says Mr Rennie.

Danny Green



Ackergill Tower, Wick, Caithness: fifteenth century castle which, after a £1m renovation, is a venue for business entertaining

ON THE WATERFRONT

# Fresh face for derelict docks

IF ANYTHING is likely to fire the imagination and enthusiasm of developers and local authorities alike, it is the prospect of turning derelict docklands into landscaped waterfront delights.

The pressure for such change is strong in Scotland. Heavy industry, especially shipbuilding and docks, have all but vanished. The wasteland that remains commemorates only extinct industries.

Fortunately, the growth businesses of the decade - retailing and leisure - seem well suited to waterfront developments. The examples have been set in London, Bristol and Liverpool, and developments in Glasgow, Edinburgh and Dundee aim to emulate their success. When plans are completed, Scotland will have a string of waterfront leisure parks, including what may be the world's first refrigerated heritage centre, in Dundee.

The success of Glasgow's Garden Festival in 1988 highlighted the potential for the River Clyde. The latest waterfront enterprise zone, a few miles downstream at Inverclyde, has had the enterprise zone status since March 1989. In spite of the many rem-

nants of defunct heavy industry, Inverclyde has plenty to make it attractive to inward investment. The golf courses and rugged rolling hills have already helped pull in Americans and Japanese. The region is at the western end of Silicon Glen, Europe's largest concentration of electronics assembly plants and it includes the giant IBM factory at Greenock. Indeed some of the land earmarked for development separates IBM from the coast.

Towns centre land was acquired from the Glasgow Port Authority in the summer of 1988 and planning permission was obtained for a waterfront retail site in 1987 at about the time of the last shipbuilding redundancies.

Since then, progress has not been so smooth. The SDA had undertaken to reclaim the derelict port land, but ground conditions are worse than expected. The detailed plans were rejected by the council in 1988 and since then rising interest rates have put the centre on a back burner. The SDA hopes that the project will be complete by Christmas 1990. If all goes to plan, the high street will be roofed in, by Ossory Estates which has

leased the area from the council.

Leith is Edinburgh's waterfront, where the intention is to turn former whisky warehouses into a giant retail development. Once the intention was to spend £400m on 500 acres, including reclamation. Even though the project has been considerably scaled back, the going is still tough.

"Progress is being hindered by a lack of infrastructure," says Mr Matthew Edgar of chartered surveyors Weatherall.

Mr Tony Hunter of Conroy Hunter, agrees: "The area needs public money put in to create the infrastructure, road communications are difficult." He is more outspoken when he says that there have been suspicions that the Leith plans are overambitious. "The Forth Ports Authority is trying to persuade everyone of the need for a huge development."

Perhaps the jewel in the crown, as far as the Scottish Development Agency is concerned at least, is Dundee.

Once reliant on the three J's: jute, jam and journalism, only the last name remains in any strength. The city is now saddled with public sector owned enterprise zones whose occupants do not pay rates until 1994. When complete, the flagship waterfront project will have cost £45m, of which the public sector contribution is about one seventh. In the words of one property consultant, "the SDA has pumped a lot of money into Dundee."

The shipyards of Dundee built The Discovery, in which Captain Scott sailed to the Antarctic, hence the planned refrigerated heritage centre where visitors will be treated to an "Antarctic experience." Even roads are being rebuilt to skirt this former railway marshalling yard.

The Antarctic heritage centre will become the centre of what the SDA calls a leisure centre "string of pearls" along Scotland's east coast. Edinburgh, Dundee and Aberdeen. Dundee heritage centre is hoping for 190,000 visitors a year. It should not be such a difficult target, considering Scotland welcomed 12m visitors, half from England, last year.

The development is, however, not without its problems. The city, Scotland's fourth

largest, has traditionally missed out on commerce, finance and oil. There are no motorway links, only one scheduled international flight and none to London.

Ford's decision not to build its motor electronics plant in Dundee still hurts. The greenfield site remains untenanted. There have been problems with the cinema complex planned for the waterfront site. The original intended occupiers were taken over and the new owners are reconsidering their plans. The SDA says others cinema operators are queuing up to run the centre.

Some developers think the emphasis on waterfronts may be overdone. One says development has taken place at some waterfront sites at much greater expense than would have been the case with land a little way inland.

**The remaining warehouses only extant industries**

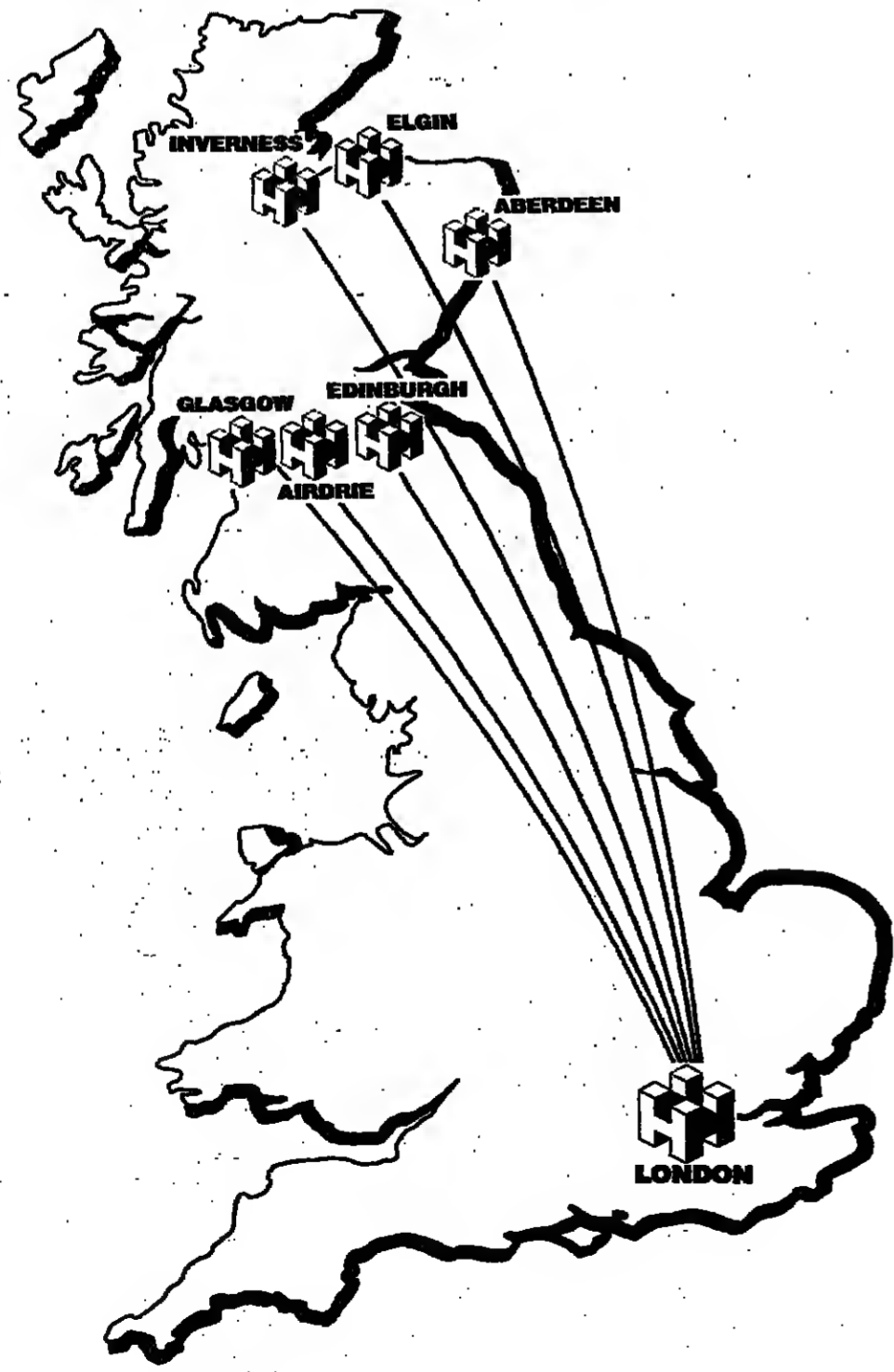
The matter of infrastructure preoccupies many. Congested road access is one problem, partially countered by recently improved road links to Aberdeen and Inverness. The SDA points optimistically to the electrification of the east coast railway line.

The drive for development has largely come from the public sector. Tourism, designed both to attract repeat visits from Scots and the more seasonal influx of foreigners is a high priority. Local authorities have been keen to clean up relics of an economy based on heavy industry, such as shipbuilding, docks and associated railways. They have teamed up with the SDA to reclaim land, improve road and pedestrian access to encourage the private developers in.

In place of docks have come retail superstores, in place of sidings are will heritage centres. As one player in the east coast development wryly observed: "We need some competition for Loch Lomond."

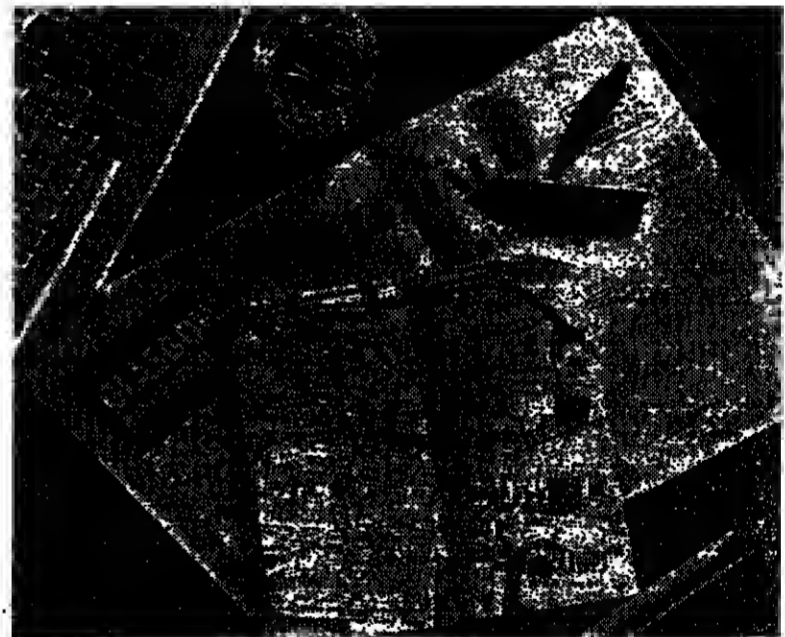
Danny Green

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TECHNOLOGY

Della Bradshaw explains why companies are choosing to let private contractors manage their facilities  
**One's burden is another's profit**

The American state of New York and Birmingham in the UK may seem worlds apart. But technologically they have at least one thing in common. The governing authorities in both places have wrenched their hands of some of their information technology facilities. Rather than running them themselves, they have decided to pay private companies to operate the services for them.

But would you hand over your computer systems or telephone network to be run by an outside company? A growing number of companies - from banks to retail chains and manufacturers to services companies - are doing just that.

They are employing organisations - with the confusing title of facilities management companies (FM) - to run these services. (In the US, facilities management refers to the running of systems within a company by its own staff.)

In the case of Birmingham City Council, the computer services are now being run by ITnet, of Birmingham, in a deal worth £30m over five years. New York state has handed over all of its telephone services - are doing just that.

But most companies are still wary. In particular, there are two "emotional hurdles" that companies have to overcome before they opt for FM, says David Andrews, partner in charge of Total Support Facility (TSF), the FM arm of Andersen Consulting.

The first is the belief that information technology is too important to leave in the hands of outsiders. The second, that the information is too valuable to let outsiders even sneak a look at it.

For some companies, such as

DRG, the diversified paper and manufacturing company in Bristol, there were no qualms on this count. Because DRG sold its computing centre to TSF as a discreet business, the same people were employed to run the services, reports Donald McPhee, administrative director of DRG.

FM companies also argue that the security in most companies is minimal anyway, and far more stringent measures are taken by the agency which is under contract to provide these services. TSF, for example, has at least one data centre designed to withstand a terrorist attack. A contract agency can be sued if the system goes down or data lost - all in-house department cannot.

Many other European companies are surmounting these hurdles and following their US counterparts in signing up for FM. Although there are no official figures for the value of these contracts, estimates put the revenue for computer installations in the UK alone at about £400m this year. Three years ago the figure was negligible.

There are several reasons why companies choose to use FM companies rather than go in-house. The main catalyst is that the company is at a "crossroads" in its information technology development, says Peter Falconer, marketing director of the facilities management division of the Hoskyns group in London.

The Lewis's Group of Salford, a department store chain, is a case in point. It signed an FM contract with the London arm of Electronic Data Systems of the US to run its computing and telecommunications facilities when the retail chain separated from Sears, its former parent. After the buy-

out the company was faced with the choice of installing its own computer or going for another option, such as FM.

The company wanted to expand its main business - retailing - and increase its number of stores from 10 to 12. What it did not want to do was to worry about the telephone network and data processing centre.

Birmingham City Council opted for FM when it could see such a crossroads approaching. It wanted to pre-empt probable Government rulings that computer services - like street cleaning and rubbish collection - should be put out to competitive tender, says Bernard Farrar, city treasurer. Instead it negotiated the deal with ITnet under which any of the 170 computer department staff could transfer to the FM company.

A more recent development is that companies are finding it increasingly difficult to employ suitably qualified staff, reports Falconer. "We are noticing that people issues are the biggest ones. It's a seller's market at the moment."

Companies are therefore offloading the burden of recruiting qualified staff on to the shoulders of FM companies. Falconer believes companies can keep their staff

because they can offer them more exciting projects. The bread and butter tasks of FM employees are upgrading software or dealing with a systems crash - the sort of work computer staff within a company rarely deal with.

But in the end, says Andrews, "it's all a question of money." Although Birmingham City Council, for example, is paying about £5m a year to ITnet, Farrar believes the council will save about £1m a year.

There are three main areas of savings for companies opting to go down the FM route.

• They are often swapping a fixed cost (of buying new equipment) with a variable cost spread over a period. As information technology equipment has a higher rate of obsolescence than the average piece of, say, office furniture or machinery, many companies are persuaded that they can drop out of the race and let a contract person keep in touch on their behalf.

• They use extra services only when necessary - and do not have the expense of installing the equipment to deal with the peaks. That does not just apply to companies with a seasonal market, but to companies which need to employ extra staff for a short period for a

host of different reasons.

Stockbrokers Laing & Crutchbank, for example, has gone to Hoskyns to supply an injection of temporary staff while it changes over from an IBM computing system to one using Digital Equipment and McDonnell Douglas equipment. During the change-over period Hoskyns will run the older system as back-up, while the Laing & Crutchbank staff are trained to use the new system.

• They accrue savings through the economy of scale in which the FM companies operate. FM companies, for example, can afford to buy mainframe computers and divide them up so that different parts are used for different clients. They can also employ groups of staff with a specific expertise which a number of clients need. The former DRG computer centre in Bristol, for example, has been expanded by TSF so that it can be used by other companies - or by DRG should they need the extra capacity.

But an FM contract is not cheap. The Lewis's Group, for example, has employed EDS to run its telecommunications and computing facilities contracts for seven years, plus a start-up period of five months. It will pay £10m over the lifetime of the contract. What it

gets for that is hard to define, but it includes certain upgrades to the systems.

Some companies may be unimpressed with the vague contracts that FM companies produce. One reason is that they can cover a gamut of services, such as taking over existing facilities or installing new ones. Contracts can last for a few months to up to seven years. Equipment can be owned by either the FM company or the one needing the computing services.

Another reason is that the services can change as the needs and direction of the managed company change. "It sounds a bit hackneyed, but we try to think of a contract as a working document, a reference document," explains Falconer. "Those companies which have opted for FM rebut the view that handing over their information technology operations or telephone systems is admitting defeat. They insist it is exactly the opposite. They believe that they have offloaded an expensive management burden and given divisions the freedom to pick the best deal, by competitive tender, to follow their business plan. "We wanted to make sure management had the opportunity to obtain services where appropriate," says McPhee.



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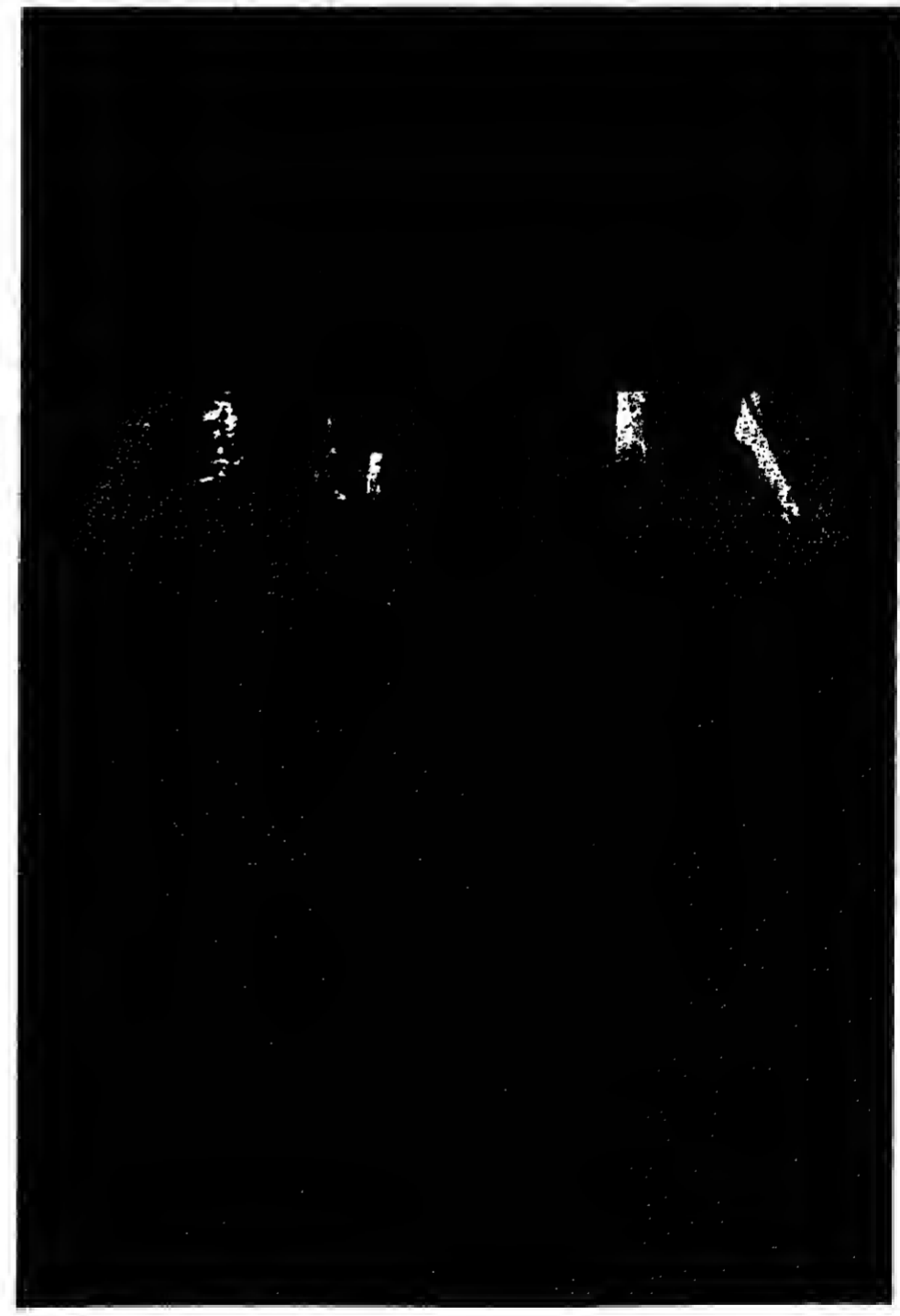
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**Hybrids make the grass grow greener**

Blotting out the sex of a crop plant is the key to a biotechnology breakthrough being claimed this week as a big advance in hybrid seed production.

Plant Genetic Systems, a private company based in the Belgian city of Ghent, believes its discovery will help the agriculture industry to create hybrids which have not been previously developed because of technical difficulties and economic constraints.

According to Jan Leemans, research director of PGS, the company's system has been applied to oilseed rape and is being extended to other cash and industrial crops, including vegetables and cotton.

Since the introduction of hybrid corn in the early 1930s, seed companies have been searching for more efficient ways to make hybrid seed. Plant breeders create hybrid varieties to develop crops which will perform reliably year after year. Hybrid seeds give farmers a more consistent yield and a crop which is more vigorous and more resistant to pests and disease.

Plant reproduction, as PGS explains it, can be accomplished in two ways. The first is through self-pollination, in which the pollen from a plant fertilises the pistils (female reproductive organs) of the same plant. The second method is cross-pollination, where pollen from the anthers (the male reproductive organs) of one plant is carried to the pistils of another plant.

Hybrids are created through cross pollination. Different lines of the same or similar crop species are combined - each with specific desirable traits - by using a male sterile line to ensure that the crop does not self-pollinate. The

male sterile parent is crossed with a line capable of restoring fertility to the first generation offspring of the cross.

PGS says that its scientists - in collaboration with Professor Robert Goldberg, an expert in plant gene regulation at the University of California at Los Angeles - have succeeded in isolating a promoter that allows the expression of a gene exclusively during the development of a plant's anthers. Leemans says this anther-specific promoter has been used to express a gene conferring male sterility in the plant.

Through this promoter a protein encoded by the gene is expressed during the critical few days when pollen would normally develop in a plant - thereby suppressing its production. The protein disappears after rendering sterile the plant male, allowing it to continue normal development.

Independent endorsement of the PGS claim has been given by Michel Renaud, research director and plant breeder at the Institut National de la Recherche Agronomique in Le Rheu, France. He says the oilseed rape discovery "not only represents a major technological breakthrough, but gives breeders great flexibility to create new hybrid varieties."

Leemans adds: "A major advantage of this technology is that it can be applied to many crops without losing other important traits."

PGS's other developments include the engineering of insect resistance in plants - thereby eliminating the need for insecticide - and herbicide resistant plants intended to allow farmers to use a new generation of safer herbicides on their crops.

Tim Dickson



MANAGEMENT

Product development

# Unleashing the potential of design

Christopher Lorenz explains why an international exhibition staged this month in Boston demonstrates that industrial design plays a strategic role far more frequently than is realised by most company executives

For over a decade, well-meaning parents across Europe and North America have been giving their children "Speak and Spell" and other noisy electronic toys from the Texas Instruments stable. As the toys grew ever longer in the tooth, TI's competitors began to think it had chosen to surrender the business, and many parents breathed a sigh of relief. But now it is back in the market with a vengeance. This Christmas thousands of American children will unwrap one of TI's new range of "Learning Path" products, such as the "Voyager" voice recognition headset computer, and - hot onto the market this month - a "Listen and Learn" 12-sided ball which matches name and noise to whichever animal picture the child has turned uppermost. In Europe, the same range is starting to appear under the umbrella title of "toys with intelligence."

The individual most to thank (or blame) for some of the individual product ideas, and for inventing the "learning path" - a step-by-step progression of such toys for different age groups - is Gene Sulek, TI's chief industrial designer.

Sulek stresses that the conception and development of the product range has been very much a multidisciplinary team effort between himself and specialists in product management, marketing, engineering and production, as well as external design consultants. But the team's leader, Elaine Kaufman, who is education products business manager in TI's consumer products division, says Sulek's involvement in the team "reached far beyond the normal role of an industrial designer - he's a real strategic thinker."

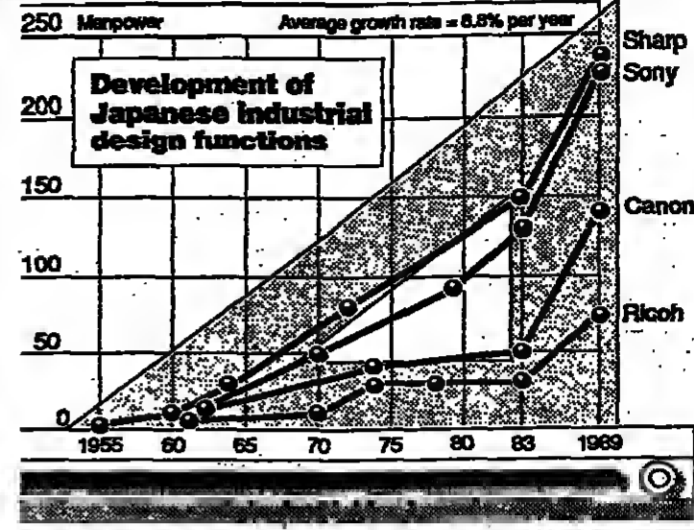
A study of the methods by which the Voyager and its fellow products were developed in double-quick time, leading to its successful launch in the US a year ago, forms just one of 13 such development projects from well-known companies in the US, Europe and Japan which have been on show in Boston this month in a remarkable exhibition called "Triad Design".

After moving to Chicago, the exhibition will visit Europe next year, starting with the Hanover Fair in March. A local language version is now on tour in Japan.

The show is significant for at least three reasons. Not only is it probably the best international exhibition ever staged on the process by which products are designed and devel-



Texas Instruments' Voyager headset (left) and Sharp's solar-cell calculator - two of the products on show at the Triad Design exhibition in Boston this month



oped, but it demonstrates that industrial design plays a strategic role far more frequently than is realised by most executives - including enthusiasts such as TI's Kaufman.

The research effort which went into the exhibition also paved the way for design management to be taught at the Harvard Business School for the first time - a move which is expected to prove at least as influential in American industry as the London Business School's pioneering courses have been in Britain.

The show, which was designed by an American in collaboration with the exhibition arm of Gillspur, a UK company, was mounted by the Boston-based Design Management Institute. The latter also organised the background research.

Harvard professors were prominent among the 33 speakers at a four-day international conference in Boston earlier this month to coincide with the exhibition's opening. Among the corporate representatives were senior executives from companies as varied as Braun, Dictaphone, Digital Equipment, Philips, Sony and Yamaha, as well as TI.

Together, the exhibition and conference illustrated only too well why product design and development successes of TI's type are all too rare in US and European industry, and why Japanese companies are so

often more effective at managing the development process.

Pinning Harvard Business School's colours firmly to the design mast, its Dean, Professor John McArthur told the conference that the Triad Design project dealt with a topic that US business schools had always neglected. The project would prove to be "the start of something big."

Design was increasingly critical in a fast-moving competitive world, declared his colleague Professor Robert Hayes, whose 1980 article on "Managing our way to economic decline" helped reawaken US industry to the competitive importance of manufacturing.

Though design's importance is being recognised more widely than it used to be in the US and Europe, Hayes argued that "too many designs fail to meet customer needs, and we know very little about why some companies are better at managing design than others."

That is no longer true for the eight projects discussed in detail at the conference, and the full set featured in the Triad exhibition.

From TI's Voyager headset to Yamaha's first digital wind instrument, and from a Philips ultrasound medical diagnostic machine to a clever Swedish screwdriver made by Bahco, "Triad Design's" message is that considerable extra compet-

itiveness can be gained by involving industrial designers as an equal partner with marketing, engineering and manufacturing throughout the development process. This is in sharp contrast to the way designers have been used in most companies, as "stylists" who are called in late in the process - just to provide attractive shapes and colours.

As Gary Rado, TI's vice-president for consumer products, told the Boston conference: "We can no longer rely just on technology, marketing or price to differentiate ourselves. Design must be added to the list as a new 'enabler'." Coming from a company which has been dominated since birth by engineers, a commitment like that is doubly significant.

Though TI as a whole (as distinct from Rado's division) is still "a design illiterate company", in the words of its design chief Gene Sulek, it is clearly learning fast. On the still-expanding Learning Path product range, industrial design is most definitely working throughout the development process along with all the other functions, according to Kaufman. "It's a network throughout - a shared type of thrust," she says.

Similarly, the conference was told by a senior executive from Sony, Aki Amanuma, that industrial designers in his company frequently help initiate the basic concept for a

product. Yet the Triad project research shows that, even in cases where designers' conceptual influence is less clear, they play an invaluable part in the product development process, not just because of their drawing and visualisation ability, but also through what Karen Freeze, the project's research director, calls their "multilingual skills" - their ability to communicate with a wide range of other disciplines in technical language that those specialists can understand. "Yet management does not often realise this," she says.

The most damning comparison of how manufacturing companies in different countries use design - or fail to - was provided at the conference in a joint presentation by two very experienced design professionals, Arnold Wasserman of Unisys (the computer company formed through a merger of Burroughs and Sperry) and Bill Moggridge of ID Two, a consultancy.

Wasserman, an American, is one of the few US design managers to have reached the level of vice-president (he previously held a similar position at Xerox), while Moggridge, an expatriate Briton, runs a San Francisco/London/Hanover firm which does a thriving business in Silicon Valley, Japan and Europe.

Design-conscious companies in all parts of the "triad" have

moved through several stages of design management, according to Wasserman and Moggridge. Some have just called on a "design person", either the company chief (such as Steve Jobs when he ran Apple, and now at Next Computer), or the design director, such as Dieter Rams of Braun, Gillette's West German appliance subsidiary.

Others, including some which have since progressed from that stage, such as Apple and IBM, have moved on to "design policy", institutionalising design into a set of policies and procedures.

A third stage, which Wasserman and Moggridge call "strategic design" and which they exemplify by Sony, integrates industrial design more deeply into the company. In such cases, much of the design effort is devoted to such broad activities as lifestyle research, in order to anticipate product concepts ahead of competitors.

Charting the steep growth of design resources in Japanese consumer product companies (see chart), Wasserman and Moggridge said that design usually begins life as a small service department located within the engineering function. "Whereas most American industrial design departments remain buried six levels down, Japanese design has been recognised as a strategic weapon - it has been moved up, is directed by a general

manager, and is seen as equal with other functions."

At Canon and Ricoh, for instance, design is organised as a separate business unit, while at Sony and Sharp the design chief has a seat on the company's board.

At Sharp, Ricoh and other Japanese companies, according to Wasserman and Moggridge, 4 per cent or more of the company's total budget for research, development and engineering is spent on design - at Canon and Sony the rate is as high as 6 per cent. Yet no major US company spends as much as 2 per cent, they said.

In contrast with the sharp increase in Japanese in-house design staff over the past 15 years or so, American numbers had fallen as part of the general drive to "downsize" corporate staffs. "In these a message here?" asked Wasserman.

"American executives invariably feel that design should be free," he said. "Two per cent is the absolute minimum you can spend and hope to get anything back." Otherwise, regardless of what a company might declare about design's importance, "you have decided not to compete through design."

One of the problems, said Wasserman and Moggridge, was a difference in strategic philosophy between Japan and the West. Whereas western companies allow successful

products "to roll on indefinitely, their Japanese competitors innovate continually." This not only keeps their product lines fresher and broader, it also enables them to sustain constantly active design and development departments. This, in turn, helps them accelerate the product development process - a common target of most companies these days, but one which many western companies are finding elusive.

Suggesting various ways of shortening the development cycle, yet of still having enough time to deepen the use of design as part of the corporate "thinking process", Wasserman and Moggridge drew extensively on the way Xerox used design as a central part of its competitive recovery process in the mid-1980s. By using input from market research, personal observations of consumer behaviour, technological trends and so forth, the designers "cooked up a creative soup," says Moggridge.

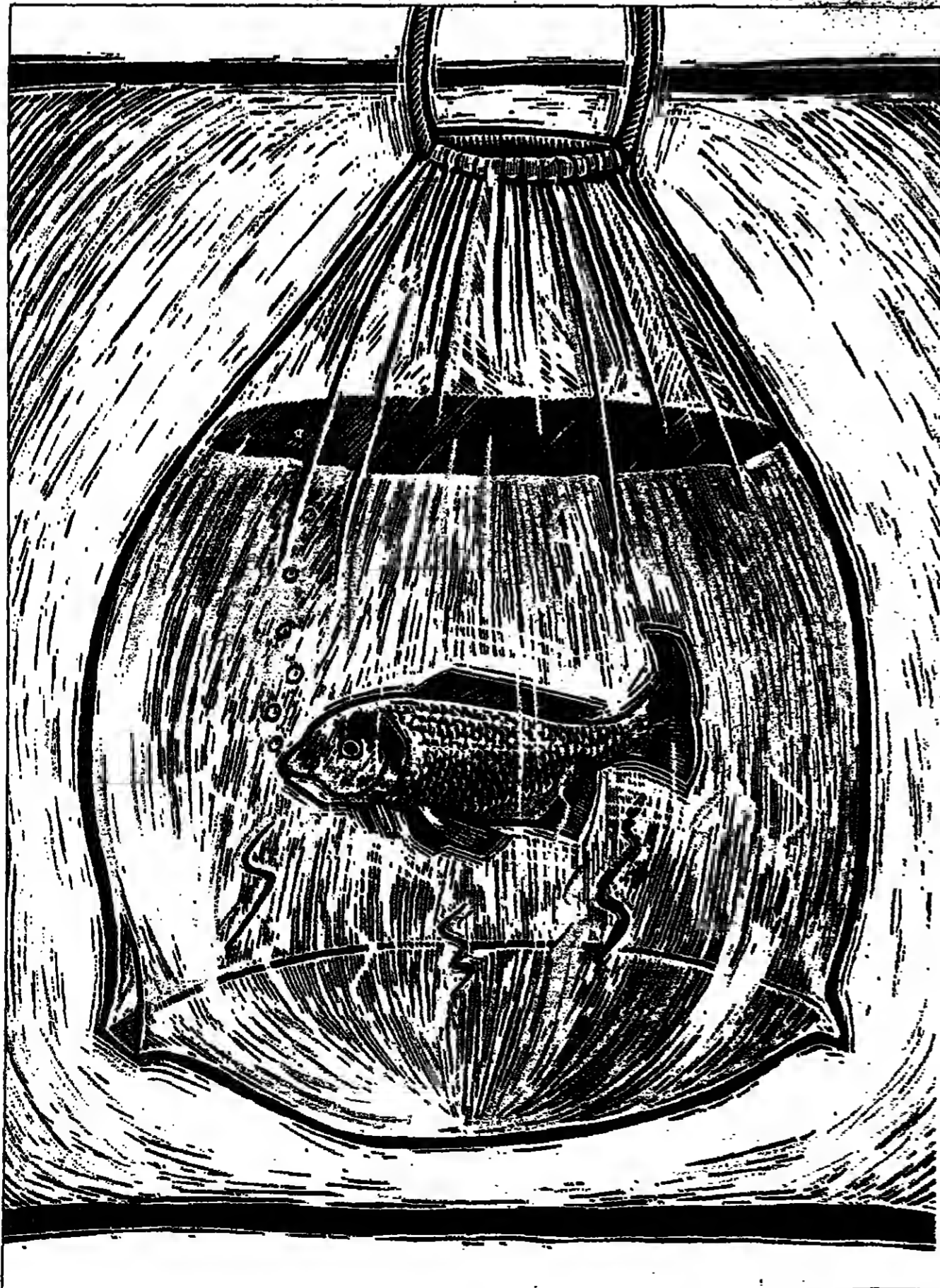
The end result was a range of copiers which were much easier to understand and use than their predecessors; this was part of the reason why Xerox's US market share bounced back to 55 per cent in 1988 from its low point of 41 per cent in 1984. Wasserman and Moggridge's concept of "strategic design" may seem far-reaching, but it is not ambitious enough to satisfy two academics who argue that, for design to be completely effective, it needs to "infuse" an organisation.

Professor Henry Mintzberg, a Canadian who for years has been a leading scourge of the "scientific" school of strategy and management, told the conference that it was insufficient merely to advocate that design should be put on an equal footing with other, more conventional, functions. Instead "it has to infuse an organisation, just like quality," he said.

Angela Dumas of the London Business School, who originally coined the term "design infusion", was concerned that building up design as a separate function "builds barriers around it." Drawing a parallel with accounting, she recalled that accountants used to be tucked away in a corner of organisations before management-accountancy developed.

"Now everyone in an organisation does some accounting every day. The same is true of design - or should be."

An ambitious target maybe, but one which certainly intrigued the executives in the audience, as well as the Harvard professors.



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THE PROPERTY MARKET

# Speyhawk opts for caution

By Paul Cheeseright, Property Correspondent

Speyhawk is taking on a more defensive attitude to the property market. It is not alone. A combination of overheating in the sector and a generally more gloomy outlook in the economy is making many of yesterday's freewheeling entrepreneurs into today's cautious financiers.

For some months now, conversation at the industry's lunch tables has circled around soft landings and hard landings. If there is any measure of agreement it is that for investors and developers the next couple of years are going to be duller than the last two.

"I've been in the industry for 25 years. I know its dangers," said Trevor Osborne, the chairman of Speyhawk. And, certainly, there are enough danger signals.

The growth in returns from property has started to slow, as the IPD Index has been indicating since the spring. Now the Bank of England has made another public warning about bank lending and the Confederation of British Industry has published its least encouraging survey about investment intentions for over six years. Strong demand for space is no longer spread through all sectors and there is a great deal of new building coming on stream.

The stock market is edgy, suspicious of the property sector generally and companies like Speyhawk in particular.

Speyhawk, indeed, had nearly 20 per cent of its market capitalisation wiped off on October 16 when the sector as a whole dropped 5.5 per cent. The company has been trading on a price-earnings ratio of just over 6.0. It is a company brokers like but from which new investors recoil.

The company is not helped by the fact that its shares are tightly held and thinly traded. On October 16 hardly any shares changed hands. "Investors don't want to invest in things which are ambitious," asserted Mr Osborne. What the market wants to invest in is non-risk, high yield and there's not too much thought for future growth. The share prices of companies representing growth will be held back.

Development companies, by definition, represent growth. Speyhawk has a development programme with a completed value of about £1bn stretching out over the next three years. Although it strengthened its capital base with a £20m preference share issue last May, its financial needs on the market are limited. But it needs to keep its share price up.

Hence the company has over the last two years been at pains to stress that it is building up its asset base as well as following its habitual line of business: finding sites, adding value with new construction and selling on.

This has made little difference to the way the market has regarded the company but it is an indication that defensiveness had begun to creep into corporate attitudes after the October 1987 equity crash.

But, now, changing conditions on the property market itself have meant other changes in the way Speyhawk does its business.

"We've sold one or two things of late. It's time to reduce gearing. It's prudent," said Mr Osborne. Around £95m was realised when, 10 days ago, Speyhawk with Reinhold, its joint developer, sold two central London buildings to Skandia Insurance. Last April, the Ramada Renaissance Hotel in Brighton was sold to Mount Charlotte Investments for £30m. Kings Cross House in central London realised £45m when it was sold to a consortium in March.

Last April, Speyhawk had recourse borrowings on its balance sheet of £54.58m. It was exposed to £5.33m on limited

recourse borrowings taken out by special purpose companies within the group, and to a further £36.35m of borrowings held by joint venture companies in which it is involved.

Obviously the high interest rates are uncomfortable for everybody, but Mr Osborne draws a distinction between the sharp rise of short term rates and the more modest cost of longer term money. Eighty per cent of Speyhawk's borrowing has an interest rate cap.

Next month the 1988-89 figures will be published and they will show the exact extent of gearing. But it is not likely to be much less than 70 per cent on the balance sheet and perhaps as much as double that if off-balance sheet financing is taken into account.

Using other people's money for development is scarcely unusual in the property industry. And there still remains plenty of it about. "I don't find banks as nervous as newspapers suggest they ought to be," commented Mr Osborne. Yet it is a sign of the changing conditions, a manifestation of its preoccupation with asset backing that the stock market is nervous about gearing. This has prompted a return to methods of funding that were more common before the surge in

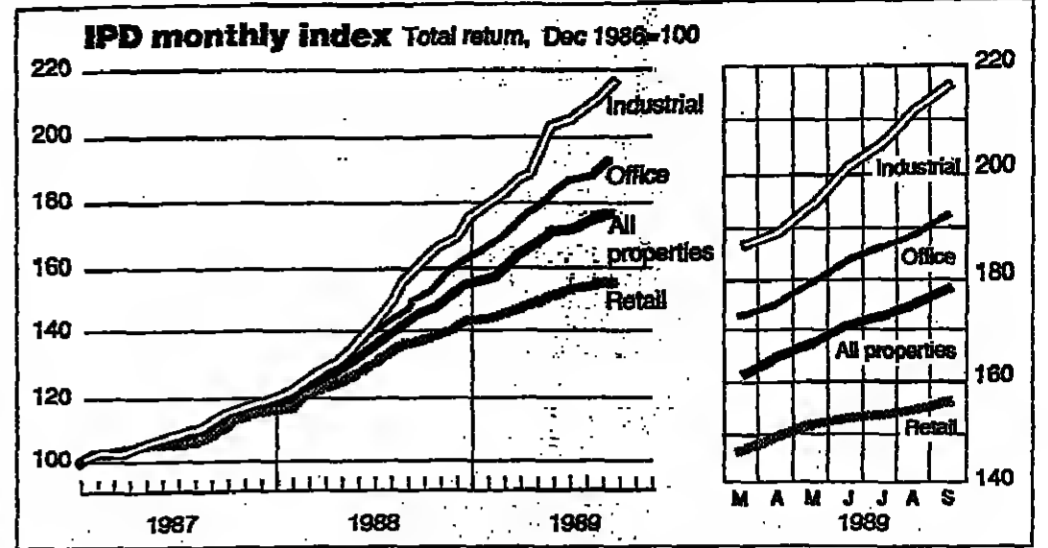
bank lending started.

"We're talking about forward funding (where an institution pays for a development and the developer takes an agreed level of profit if construction is completed on time, on budget and the building is let) and a year ago we wouldn't have done," Mr Osborne noted.

Forward funding is itself a form of restriction on the sort of development the company is prepared to undertake, because the institutions are not generally interested in fringe locations. This agrees with what the company is doing.

"It's time for a cautious approach, so you only go into projects which are actually prime. This is not a time for flippers," Mr Osborne observed. And "prime" denotes a number of things. In the City of London it means "this is the time to be only in core locations." And it means the construction of decent buildings — "people building cheap will find it pretty hard going."

Demand for space is holding up pretty well in the office and industrial sectors, less so in retail. But if interest rates stay high for more than a matter of months then there will be many more worried property people around than there are now.



## Rental growth slowing

Property investments performed marginally better in September than in August, but the returns for the third quarter were the lowest of the year so far.

The latest figures from the monthly index of the Investment Property Databank emphasise the trend that became apparent in the spring: property continues to provide high returns but the rate of increase is slowing.

In September, the rate of rental growth remained high although diminishing in the speed of increase. Capital growth has been lagging in


comparison with a year ago.

For the first nine months of the year, the total return was 15.1 per cent. Over the year to September, the total return on all properties was 22.4 per cent, but in the year to September 1988 it was 30.5 per cent.

Last month, the highest performer was again industrial property with a total return of 2.5 per cent. During the third quarter, total returns were 7.1 per cent, the highest for the year, and over the last 12 months have been 34.4 per cent. But in calendar 1988, the total return from industrial property was 46.7 per cent.

Total returns from office property were 1.7 per cent during September, a recovery from August. But at 4.8 per cent for the third quarter, the rate of growth has been edging down.

The most troubled sector has been retail where there is evidence that yields have continued to widen. During the year to September, rental values grew much more quickly than capital values — 14.5 per cent against 8.8 per cent. In September, the total return from retail property was 0.9 per cent, the same as in August. The total return for the third quarter was 3.1 per cent.



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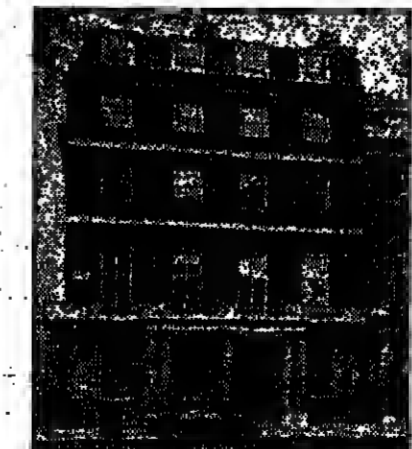
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ARTS



EXHIBITIONS

London

The Hayward Gallery, Andy Warhol - two years after his death, a comprehensive retrospective of the career of this seminal yet ambiguous and still controversial artist...

Paris

Musée des Arts Décoratifs, Je suis le Cahier - Picasso's sketchbooks. After two years of meandering the world over, the exhibition ends, aptly, in Paris...

Paris, Musée Carnavalet shows Paris daguerotypes (31, rue des Francs-Bourgeois), while the Centre National de la Photographie uses chronology to teach its history...

Madrid

Fundación Juan March, Retrospective of Edward Hopper opens the autumn season at the foundation. 61 works by the New York realist covering a period of 56 years...

Brussels

Europalia Japan 88. Having celebrated the art and culture of Austria two years ago the Europalia festival of Japanese arts outside Japan...

toire, Nishimura Art, Japanese art works influenced by contact with Portuguese traders. Closed Monday. Ends Dec 17.

Antwerp

Museum of Modern Art (Muhka) 31 Louvenstraat, New tools - New images: art and technology in Japan today with installations by Tatsuro Miyajima, Tsunao Nakai...

Born

Städtisches Kunstmuseum, Rathausgasse 7, Glanzlichter, 40 years of government support for art. This exhibition shows for the first time selected works of art from 11 countries...

Berlin

Beethovenhalle Bonn, 50 portraits of Beethoven by the American pop artist Andy Warhol. In addition to the Bonn Beethovenfest, an Andy Warhol exhibition is taking place until October...

Berlin

Bruno Museum, Bismarckstrasse 3, A Franz Marc retrospective with 130 drawings and squabbles (1880-1916) most of the German expressionist painter's works...

until Oct 28. His famous hand-coloured print of two horses, one blue coloured the other red-black, with a red, blue, yellow and green ground, was published in a luxury edition of the almanac Der blaue Reiter.

Frankfurt

Kunstverein, am Markt 44, A "Prosecco photography" to celebrate the 150th anniversary of the invention of photography with 130 works from around 80 photographers and artists. Ends November 26

Vienna

Secession, The highlight of the next few weeks will be the 100th anniversary of the birth of Ludwig Wittgenstein, the philosopher, architect and craftsman who until recently had not been appreciated by his fellow countrymen...

Vienna

Secession, The highlight of the next few weeks will be the 100th anniversary of the birth of Ludwig Wittgenstein, the philosopher, architect and craftsman who until recently had not been appreciated by his fellow countrymen...

Rome

Palazzo del Conservatori, Campidoglio, Giuseppe Ceracchi (1761-1801), Jacobin sculptor. The exhibition includes a touching witness sketch of Ceracchi and co-conspirators in a plot to assassinate Napoleon standing at the foot of the steps to the grotto...

Tokyo

National Museum, Art of the Muramachi Period (1334-1387). Major exhibition featuring some 400 works from the period when the shoguns had consolidated their power, bringing a period of relative peace and prosperity with a resultant flowering of the arts...

Venice

Palazzo Grassi, Italian Art: 1800-1945. A much-amplified exhibition covering a brief period that did the recent show at the Royal Academy in London, organised again by German collector, with the director of Palazzo Grassi, Pontus Hulten...

Florence

Forte di Belvedere, African Art: The Roots of Modern Art. One hundred and fifty sculptures, mainly in wood, produced by 60 different tribes spread through central, western and southern Africa. The work, lent by 12 major museums and 21 private collections...

New York

Whitney Museum, A special exhibit from the museum's extensive holdings of Edward Hopper highlight the realistic painter's Paris and domestic scenes among the 150 pieces in all media. Ends Nov 5.

Chicago

Art Institute, Fixing the Shadow shadows the history of photography at its 150th anniversary. Of the millions of possible contributions, the exhibit focuses on 400 pieces by 200 photographers organised chronologically. Ends November 18.

New York

Heidi Gruntz (Flynn), Wendy Wasserstein's award-winning drama covering 30 years in the life of a successful American baby boomer goes from support for Eugene McCarthy's presidential aspirations to electoral ambitions in the 1980s...

MUSIC

London

Pittsburgh Symphony Orchestra, conducted by Lorin Maazel. Mahler, Royal Festival Hall, (Fri) (928 3002).

Paris

Czech Philharmonic conducted by Václav Neumann. Mahler, (Mon) Theatre des Champs Elysees (47293637).

Vienna

Wiener Mozart Orchester in historical costume. Conducted by Konrad Querner. Mozart, Konzerthaus, (Tue) (487 4600).

Chicago

Chicago Symphony Orchestra conducted by Gunter Wand. Bruckner, (Tue) Orchestra Hall. Chicago Symphony Orchestra conducted by Sir Colin Davis.

New York

Heidi Gruntz (Flynn), Wendy Wasserstein's award-winning drama covering 30 years in the life of a successful American baby boomer goes from support for Eugene McCarthy's presidential aspirations to electoral ambitions in the 1980s...

Brussels

Ikyo Nakamichi (piano), and Mayumi Saito (violin), Miyagi, Miyoshi and Mori, Centre Culturel de Botanique (Fri, Sat), RTT Philharmonic Orchestra, conducted by Michiyoshi Inoue...

Frankfurt

Czech Philharmonic, with Václav Hudeček (violin), conducted by Juri Belokhine. Smetana, Tchaikovsky and Mussorgsky, (Tue) Alte Oper.

Rome

Santa Cecilia Orchestra, conducted by Giuseppe Sinopoli. Mahler, (Sun, Mon, Tue) Auditorium in Via della Conciliazione (6641044).

Milan

Quartetto Arditi, Beethoven, Webern, Sofia Gubaidulina, Luigi Nono and Alban Berg (Mon) Teatro alla Scala. (90.91.92).

Vienna

Wiener Mozart Orchester in historical costume. Conducted by Konrad Querner. Mozart, Konzerthaus, (Tue) (487 4600).

tok, Schuman, Konzerthaus, (Wed). Wiener Hofkapelle, conducted by Gert Hofbauer. Miscellaneous waltzes and operettas. Konzerthaus, (Thurs).

Barcelona

Trío de Barcelona, Beethoven, Mendelssohn, Dvorak (Fri) Centro cultural fundacion casa de pensiones (817 87 87).

New York

Frankfurt Radio Symphony Orchestra conducted by Ebrahim Elsharif with Mitsuko Shirai (mezzo-soprano), Hadya, Ravel, Tchaikovsky (Mon) (247 7800) Carnegie Hall.

Washington

National Symphony Orchestra conducted by Hiroaki Iwaki with Leonidas Kavakos (violin), Toshi Ichikyanagi, Dvorak, R. Strauss, Kennedy Center Kennedy Center Concert Hall (Tue) (487 4600).

Chicago

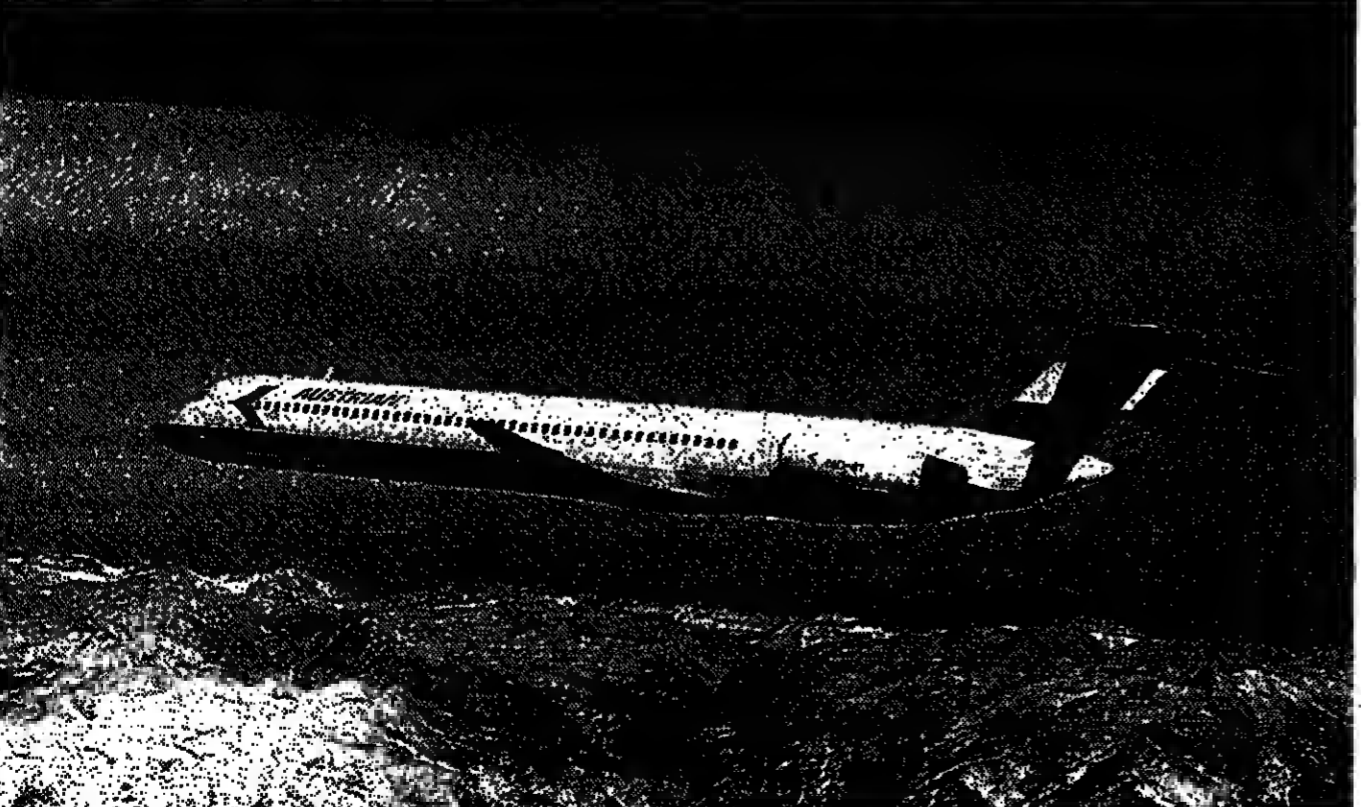
Chicago Symphony Orchestra conducted by Gunter Wand. Bruckner, (Tue) Orchestra Hall. Chicago Symphony Orchestra conducted by Sir Colin Davis.

Tokyo

Kabuki, Performances at Kabuki-za (541 3121) are at 11am and 4.30pm. The star of the evening show is the prodigious Emoto Ichikawa, fresh from a successful season in New York...

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POLITICS TODAY

Stuck with the same old image

By Joe Rogaly

The part of Britain's Conservative Government that resides in No 10 Downing Street... stuck on a fixed trajectory... It will stay stuck while Mrs Margaret Thatcher remains Prime Minister...

way from going off one's trolley. The Prime Minister's fixed philosophy has long been a subject of speculation in the political world... It is worth quoting Sir Alan's two preceding sentences...

decisively low in 1981-82. In such conditions other political factors come into play. Those factors, of which the Prime Minister's sense of historic mission is one, currently favour the Labour Party...



Such debates will be televised over the next two years; it is no longer axiomatic that the Tories have the best political face to show... Japan and with calls to the Federal Reserve Bank...

LOMBARD

Never mind about the bear

By John Lloyd

THE ACTING President of Hungary declares on Monday that his country is a "bourgeois democracy"... nounced as his election campaign gets under way...

It was curious to hear a debate on the economy in which the Tories were not winning the argument

market. If that were all there is to it, there would be no point in taking the analysis further...

LETTERS

Fracas in the media over Sir Alan Walters

From Mr Esra Benmathan. Sir, Sir Alan Walters's comments on the European Monetary System, the occasion of much commotion in recent days...

preparation for one of a series of articles on economists (as I understood the purpose). It was at my suggestion that a copy (when finally assembled) be sent to Mr Holberton as background material...

to episodes of innocence. In the following days, however, when the quotation was widely understood, cited and used as a recent statement...

you have been fanning the flames. Esra Benmathan, 105 Clarence Gate Gardens, London NW3

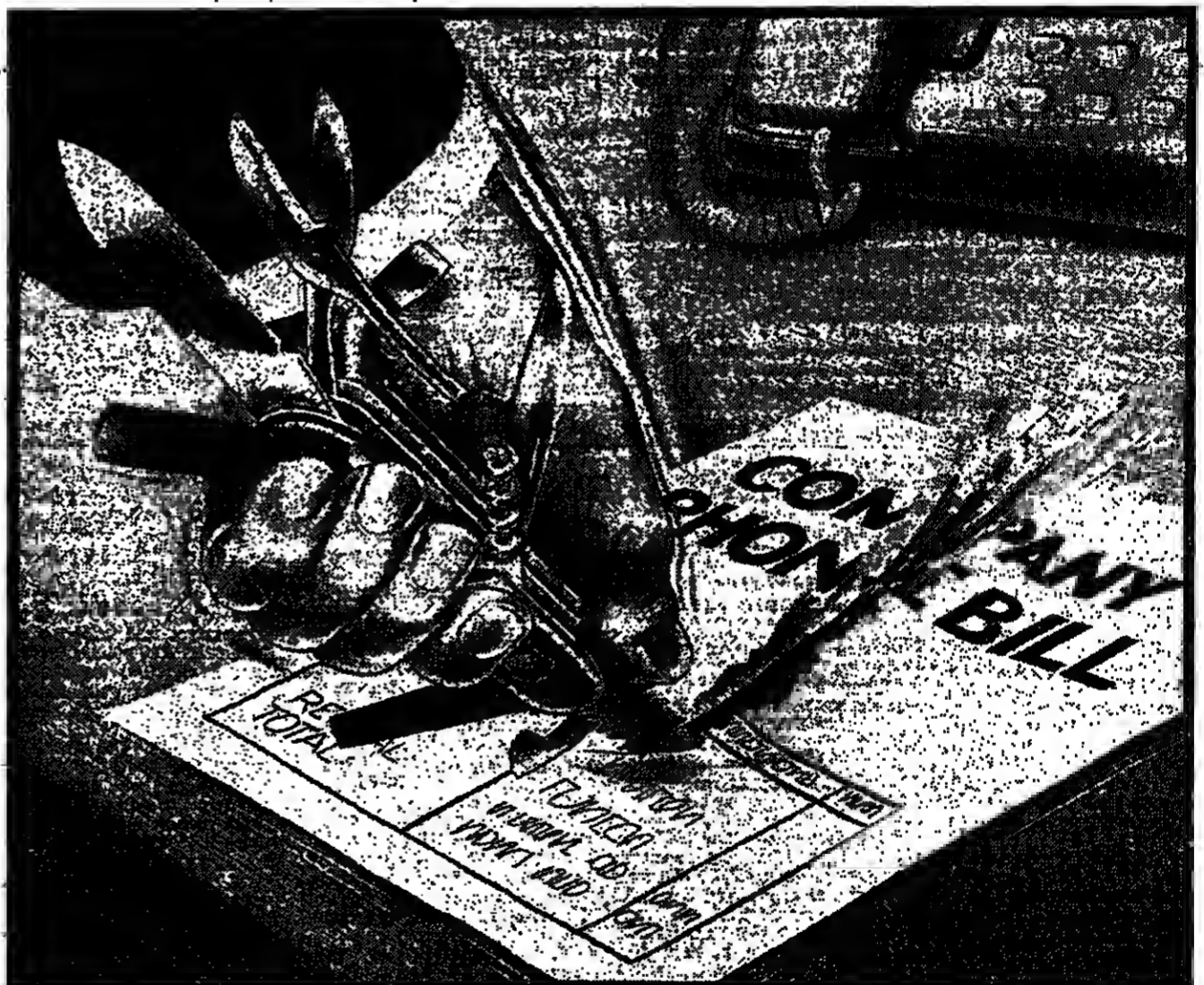
'The single market could be a farce for textiles'

From Mr K. Neundorfer. Sir, Through the main emphasis of the study prepared for the Department of Trade and Industry by Professor Silberston on the Multi Fibre Arrangement (MFA) is the situation in the UK (Peter Montagnon's report, October 20, FT leader, October 20), it is also of great interest for the textile industry of other EC countries...

oped or backward' regions in the EC exist only in the new member states with a high degree of female employment; occupational mobility for these employees is practically nonexistent...

industrialised countries, and the distortions these cause in world trade in textiles and clothing, are also far too important to be dismissed as readily as does your leader...

From Mr J.A. Nightingale. Sir, Your leading article on trade in textiles (October 25) and Peter Montagnon's article (October 20) give inadequate weight to some important parts of Professor Silberston's report...



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FINANCIAL TIMES

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Brittan proposes aid repayment by Renault

By Lucy Kellaway in Brussels and Will Dawkins in Paris

SIR Leon Brittan, the European Competition Commissioner, yesterday proposed that Renault, the French state-owned car company, should repay in full FF12bn (\$1.9bn) of state aid that it was granted in 1988.

increased. Some progress has been made on Renault's status as a company, with broad undertakings given by the French Government that should Renault get into trouble again, it would not necessarily be bailed out.

After a meeting last week with Mr Michel Rocard, French Industry Minister, Sir Leon was not convinced that enough progress was being made to meet the conditions and headed to opt for the most radical form of redress.

Tin council creditors lose ruling on debt

By Raymond Hughes in London

BANK and broker creditors of the International Tin Council, which crashed into insolvency in 1985 owing hundreds of millions of pounds, have finally lost their legal battle to force the council's members to pay its debts.

Lord Griffiths said he dismissed the creditors' appeals with regret because in his view they "have suffered a grave injustice which Parliament never envisaged at the time legislation was first enacted to enable international organisations to operate under English law."

China says sanctions blocked \$10bn loans

By Colina MacDougall and Robin Padley in Peking

WESTERN economic sanctions imposed against China after the June massacre of peaceful demonstrators in Peking have started to bite deeply into the country's trade and economy.

Opposition parties in India reach poll accord

By David Housgo in New Delhi

INDIA'S opposition parties yesterday boosted their electoral chances by reaching broad agreement on putting up a single candidate against the ruling Congress Party in most key constituencies.

Pöhl says Bundesbank 'not hostile' to full European monetary union

By Lucy Kellaway in Brussels

MR Karl Otto Pöhl, President of the Bundesbank, yesterday sought to overturn the popular view of the German Central Bank as being hostile to the idea of full monetary union.

Using the Bundesbank as his model, he repeated the German insistence that any European central bank would have to be independent and flexible. He cast doubt on whether all European governments and parliaments are willing to transfer sovereign rights to a supranational institution and to grant autonomy to this body.

Lawson resigns as UK Chancellor of Exchequer

Continued from Page 1

of their meetings yesterday to stay on.

Sterling slides in New York

Continued from Page 1

Analysts in London said Mr Lawson's departure from the Government had added a significant level of political risk at a troubled time for the UK economy.

News stuns Parliament

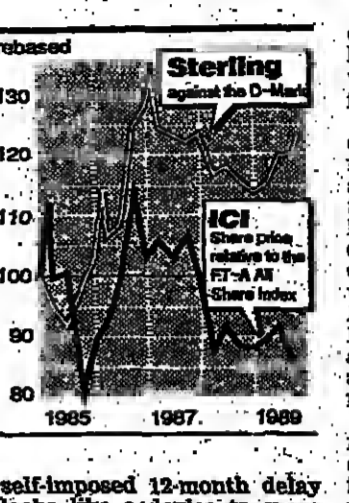
Continued from Page 1

and it is entirely the Prime Minister's fault."

THE LEX COLUMN

The navigator jumps ship

The market reaction to Mr Lawson's bombshell can only be one of dismay. What began as a mere sterling crisis has turned into one of government.



cultural businesses are, not to be relied on, what happens when the industrial downturn finally arrives?

Morgan Grenfell

With hindsight, Banque Indosuez was an obvious buyer for Willis Faber's one-third of Morgan Grenfell.

self-imposed 12-month delay looks like a device to spare Willis the embarrassment of having bailed Morgan to the foreigners.

For Morgan shareholders, including perhaps many employees, a takeover would be a welcome relief. After all, Morgan's shares closed at 40p last night, \$1 adrift of the price it floated at in 1985.

Tomorrows structural technology today

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are actually stronger. Moreover holes can be punched in a component as desired during the Vari-Form process, resulting in higher geometric compatibility.

An American study indicated that by adopting Vari-Form, one typical car body frame could have been made from 75 structural members instead of 280, using 200 spot welds instead of 5,000, with substantial savings in cost.

Table with columns for location, temperature, and other weather data. Includes cities like London, New York, Tokyo, etc.

membership of the EMS and interest rate policy were resolved.

While the supporters of China's economic reforms clearly support a devaluation it is unlikely that the present hardline leadership under Mr Li Peng, the Prime Minister, would countenance such a move.

THE WORLD OF TI
Tomorrow's structural technology today
THE WORLD'S CAR manufacturers are showing close interest in a revolutionary metal-forming technique...



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Contact: Jocelyn Bolton.

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Scope for rapid career development and for promotion to Assistant Director.

### SENIOR MANAGER: CORPORATE FINANCE — ITALIAN SPEAKING

CITY £30,000-£45,000 + Bonus + Car  
MAJOR INTERNATIONAL INVESTMENT HOUSE

For this new appointment we seek candidates equipped to make an immediate contribution to our client's established and rapidly expanding deal flow with Italy. Candidates, who are likely to be aged 26-33, should be graduates with 2-4 years' experience in debt funding (Eurobond products), including framing proposals and structuring deals and ideally be familiar with convertibles and swaps. The successful candidate will have increasing marketing responsibilities, entailing substantial travel to Italy to visit State institutions, major banks and corporations and above all must be a "deal maker" who enjoys autonomy and will grasp the opportunity to gain experience and develop relations in other areas (equity funding, commercial paper, M & A, etc.). Initial remuneration is negotiable in relation to experience £30,000-£45,000 + bonus, car, non-contributory pension, mortgage subsidy. We would also be interested to hear from less experienced candidates. Applications in strict confidence under reference SEIS 4686/FT to the Managing Director. Candidates wishing an initial confidential telephone discussion please telephone 01-638 0680.

A unique opportunity to develop your trading skills with a leading house.

### FUTURES TRADER (LIFFE)

£30,000-£40,000 + performance related bonus,  
mortgage subsidy and full banking benefits.

Our client, an international investment bank and influential trader on world futures exchanges, seeks an experienced pit trader familiar with the Bund, JGB and Long Gilt Contracts. In addition to pit trading your knowledge of the markets will be utilised to provide client advice and the opportunity will exist for you to trade a book.

You should have at least two years' experience as a pit trader and have the ability to trade accurately in volume.

To discuss this vacancy in confidence please telephone 01-628 0969 or write to Campbell-Johnston Recruitment Advertising, quoting reference number FT22795/FT, with a covering letter listing any employers to whom you would not like your details forwarded.

3 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2M 5PU. TELEPHONE 01-588 3588 or 01-588 3578. TELEX: 887374. FAX: 01-256 8501.  
ORGANISATIONS REQUIRING ASSISTANCE ON RECRUITMENT - PLEASE TELEPHONE 01-628 7399

<p><b>U.K./EUROPEAN EQUITY SALES</b> £35,000-£70,000</p> <p>We are currently working on assignments for a number of international investment banks. Applications are invited from candidates with specialist sector knowledge, and a minimum 5 years experience, coupled with the ability to conduct business with senior institutional equity fund managers. Good relationships and contacts are essential qualifications for these senior positions, a second European language would be a distinct advantage.</p> <p>Contact: David Puddick</p>	<p><b>CAPITAL MARKET SALES</b> £25,000-£40,000</p> <p>Our Clients, all major participants in the Capital Markets Area, require Salespeople covering Europe, in particular France, Spain or Italy. Preferably educated to degree level, you should already have an established client base, and a minimum of 2-3 years experience in this area. An in-depth knowledge of the major Euro and Domestic Bond and Derivative Products markets, together with fluency in the relevant European languages are prerequisites for these positions.</p> <p>Contact: Wendy Fern</p>	<p><b>JAPANESE EQUITY WARRANTS</b> £Negotiable</p> <p>An international Bank, currently trading in Japanese Equity Warrants, are looking to expand their existing team. A trader is required with at least 2 years experience in equity warrants or other equity related fixed income instruments. The company also wishes to recruit a Salesperson with specialist knowledge of the warrant market, together with experience in more general Capital Markets products. Preference will be given to candidates in their mid-to-late twenties, with a good educational background.</p> <p>Contact: Wendy Fern</p>
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Please do not hesitate to contact us for further information regarding the above and other opportunities currently available within the financial markets.

**Anderson, Squires**  
Financial Recruitment Specialists

127 Cheapside London EC2V 6BU Telephone: 01-606 1706  
Telefax: 01-726 4031  
A member of the PricewaterhouseCoopers Group Plc

Banking Treasury Securities Operations

## Investment Manager

### Switzerland Attractive Package

Our client, the Swiss banking subsidiary of a successful UK financial services group, has an ambitious and aggressive growth plan - and the resources to back it.

The Investment Manager will play a key role in the development of the business and the management of the Bank, located in Geneva, and work closely with the Central Research and Fund Management Team in London.

The responsibilities will include:


- managing discretionary investment portfolios in various base currencies
- providing investment advice to private clients
- advising the group on fixed interest and Continental European equity markets.

The requirements are:

- good general private banking experience
- at least five years' investment management experience
- good knowledge of fixed interest securities and Continental European equity markets
- Swiss national or current C or B work permit
- above all, enthusiastic, self-motivated and keen to share the challenge and rewards of building a business.

An attractive salary and benefits package will be offered to reflect the candidate's skills and experience.

Interested candidates should contact:  
Charles Ritchie at Michael Page City,  
39-41 Parker Street,  
London WC2B 5LH.

  
**Michael Page City**  
International Recruitment Consultants  
London Paris Amsterdam Brussels Sydney

## MARKETING OFFICER

### International Bank Italian Clientele European-based


OUR CLIENT, a leading international bank is seeking a Marketing Officer for its private banking division, which offers a wide range of personalized banking and investment-related services to a variety of high-quality clients.

Your main responsibility will be to contact potential Italian clients, and to develop and consolidate their business with the bank. Extensive travel will be necessary.

This challenging position would suit a young financial professional, with at least 3 years' experience of the banking industry. Fluency in Italian, and a good working knowledge of English, should be complemented by the personal and commercial drive required to become fully operational in a short period of time.

An attractive remuneration package will be available to the right person.

Please write with full career details to  
Jurgen Müller, Ref: A/R 9575, PA Consulting Group,  
3 rue des Gravières, 92521 Neuilly-sur-Seine, Cedex,  
Paris, France. Tel: (010) 331 4747 11 04.

  
**PA Consulting Group**  
Creating Business Advantage  
Executive Recruitment • Human Resources Consultancy • Advertising and Communications

<p><b>CORPORATE FINANCE ANALYST</b> c.£17,500 and other benefits.</p> <p>Financial analyst to expand activities in options trading involving computer analysis of that area required by leading City broker and dealing Company.</p> <p>Reply with CV to Mike Pope, Mike Pope Limited Recruitment Consultants Room 57, 3rd Floor, Warriford Court, Throgmorton Avenue, London EC2N 2AT</p>	<p><b>WHICH CAREER SUITS BEST?</b> Professional Guidance and Assessment for all ages.</p> <p>15-24 yrs Careers, Careers 25-34 yrs Progress, Careers 35-54 yrs Review, 2nd Careers</p> <p>Full details in free brochure.</p> <p>● ● ● CAREER ANALYSTS ● ● ● 90 Gloucester Place W1 ● ● ● 01-435 5452 (24 hrs)</p>	<p>Appointments advertising appears every Monday, Wednesday and Thursday</p>
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**LOMBARD**

**BROWN SHIPLEY**

We are seeking to recruit the following Traders in our Treasury area.

1) Senior FRA Trader Age 30-40 with at least 5 years experience	2) Futures Trader Age 25-30 with a minimum of 3 years experience
--	---

A proven track record within an active trading environment is essential. Salaries are negotiable and will contain significant benefits. Kindly respond with C.V. to:-

**The Treasury Director  
Brown Shipley & Co Ltd,  
Founders Court, Lothbury, London EC2R 7HE**

**LEASING & ASSET FINANCE  
BASED EXECUTIVES**  
**£22,000 - £50,000 Plus Substantial Bonuses**

**Do you just talk about deals or can you actually close them?**

Our client, the leasing subsidiary of a European bank, is new to the UK and is looking for six genuine marketing professionals, to work with the London based General Manager in the following areas:-

- Vendor Finance - with or without residual risk
- Small Ticket Leasing
- Packaging and Advisory work
- General Asset Based Finance including - Back-to-Back, and Local Authority Leasing

Candidates should be ambitious and self-motivated with good credit skills and a proven track record. Each Executive will be expected to play an active role in the formulation of a business plan which identifies future market trends.

Particularly for the more senior positions, candidates will not only need in-depth knowledge and a good client base, but will also possess the management skills and experience necessary to progress and head their respective niches as the company develops.

In addition to a good basic salary and benefits, successful candidates will have every opportunity of earning substantial performance-related and discretionary bonuses of up to 100% of salary.

In the first instance please contact Pamela McAlister on 01-638 1295 or 01-638 4064, or alternatively apply in writing enclosing a full curriculum vitae.

Lombard Recruitment Services Ltd, 2 London Wall Buildings, London EC2M 5PP Tel: 01-638 1295 or 01-638 4064

**EUROPE'S LEADING  
INVESTMENT BANK**

**UK and International Equity Sales**

A highly successful and profitable London based investment banking Group serving institutional clients throughout the world in UK and European equities, is interested in talking to experienced institutional salesmen who have strong client relationships in the UK or Continental Europe.

The Equity Division of this Group has built an excellent reputation for a sales and research service and has now attained a position of strength to maximise its distribution capacity to both UK and European institutional clients.

The financial rewards are amongst the best in the London brokerage market, with competitive base salaries supplemented by substantial bonuses based upon personal performance.

Please contact our advisers **WIB** through:-

**Mary Colvin  
35 Hill Street  
London W1X 7FD**

**INVESTMENT MANAGEMENT**

AMS has been approached to assist in the recruitment of high calibre professionals by a number of international investment Houses in the following areas:-

**Investment Marketing £20,000-£50,000 + Benefits**  
Outstanding opportunities have arisen to join a number of Investment Management organisations planning major marketing and sales initiatives, and to make a significant contribution to the development of their Asset Management activity. A thorough understanding of Investment Management techniques, with excellent presentation skills are prime requirements. With the advent of 1992, we would also welcome enquiries from experienced Investment Marketing professionals with strong European experience.

**UK Fund Managers to £45,000 + Benefits**  
Exceptional individuals are sought by a number of Investment Management groups for their expanding UK Equity desks. It is envisaged that the ideal candidates will be highly numerate, possessing an excellent relevant degree. Familiarity with quantitative methods, and perhaps a strong investment research background are desirable.

Please contact Barbara Dabek on (daytime) 01-405 4571 or (evenings after 8.30 pm) 0634 63534. Alternatively forward a comprehensive curriculum vitae to the address below:

**AMS**  
Applied Management Sciences Limited 17 Bedford Row, London WC1R 4EB  
Tel: 01-405 4571 Fax: 01-242 1411

**MANAGEMENT AND RECRUITMENT CONSULTANTS**

**AVIATION BUSINESS  
DEVELOPMENT**


**PRIVATbanken Limited**, the leading Danish bank in London, is currently seeking a business development officer to work in its Aviation Department.

**PRIVATbanken Limited** carries out a broad range of business activities, both internationally and within the UK, and has developed specialised skills in a number of areas, one of which is aviation finance. The bank has been involved in aviation finance for a number of years and the stage has now been reached where a new department is being created to handle this business.

Reporting to the Head of the Aviation Department, your job will be to undertake part of the business development programme within the Aviation Department's business plan. The ideal candidate will have gained several years experience in aircraft finance with a leading international bank. You will have been educated to degree level, will be fluent in English and at least one other European language and will be expected to make a significant contribution to the expansion of the business. Candidates will be considered who do not fully meet these criteria but who have other relevant experience and skills.

An attractive remuneration package is offered commensurate with your experience and skills.

Applicants should write with CV to:  
**The Personnel Manager,  
PRIVATbanken Limited,  
107 Cheapside, London EC2V 6DA**

 **PRIVATbanken Limited**

**FLEMINGS**  
CHEMICALS INDUSTRY  
CORPORATE FINANCE

Robert Fleming is a major U.K. based merchant bank with significant activities in the U.S.A., the Far East and Continental Europe.

The Group wishes to recruit an additional member to its expanding chemicals group within the Corporate Finance Department. This international group is responsible for the development of corporate finance business within the chemicals industry, develops merger and acquisition proposals, and undertakes or supports the related corporate finance activities.

The successful candidate, probably in his or her late twenties, is likely to have a degree in chemistry or a related discipline, and several years manufacturing, marketing or financial experience in the chemicals industry. He or she will have developed a broad understanding of the international structure and dynamics of the industry. For candidates from non-financial functions, we require evidence of some financial experience gained possibly through a post-graduate qualification such as an MBA, or experience in corporate and strategic business planning. Direct experience of acquisitions or disposals would be an advantage, but is not a prerequisite.

He or she needs to be articulate, literate and of a strong personality so as to be able to make a case positively to senior members of the organisation or its clients. The position will require liaison with our offices in the U.S.A., Europe and the Far East, and could involve overseas travel.

Applicants of either sex should write enclosing their C.V. to:

Frank Smith  
ROBERT FLEMING & CO. LIMITED  
25 Copthall Avenue, London EC2 7DR.

**企業金融部門  
幹部社員募集**


シュロダーは、21カ国に従業員3000人余りを擁する世界の権威ある投資銀行グループです。当社は企業金融の分野に優れ、1988年には、アドバイザーを務めた英国内M&Aの件数で投資銀行中第一位、国際的M&Aを扱った件数でも世界の投資銀行中第一位でした。東京では長年にわたって強力な地位を築いており、最近では、日本の企業や産業界に海外投資への関心が高まっていることに対応して、企業金融チームを増強しています。

日本でのM&A事業を成功させるために、当社は日本企業と世界各地で関係を築き発展させていくことが重要と考えます。この戦略のために、ロンドンに少人数のチームを作り、英国で日本の顧客のためにM&Aのアイデアを展開させ、東京の企業金融チームと緊密に連絡を取り合っていく必要があります。

当社は、ロンドン・チームを築いていく意欲的な幹部社員を募集しています。英語に堪能で、ヨーロッパ企業との交渉経験があり、公認会計士、弁護士等の資格を持つか、MBAを取得している20代後半の大学男女を望みます。

高給及び各種給付を用意しております。ロンドン、日本のいずれにせよ、昇進の機会があります。

英文による履歴書、職務経歴書を両封の上、Elizabeth Warren, J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2V 6DS宛に郵便にて応募下さい。

**Schroders**

**BOND TRADING**

**BOND TRADER**  
20s £40,000 pa NEG  
Major player, well-known internationally, wishes to recruit a professional, with at least 2 years' experience of trading bonds.

**US TREASURY TRADER**  
20s From £40,000 pa  
Due to expansion, this highly successful international bank seeks US treasury trader, probably now with primary dealer, with at least 3 years' experience of trading T bonds.

**BOND SALES**

**BOND SALESPERSON FOR ITALY**  
LATE 20s/EARLY 30s From £40,000 pa  
Major player, highly successful, wishes to identify an Italian speaking professional who has a significant record of selling a wide range of multi-currency fixed income products to Italian institutions and other Mediterranean countries.

**BOND SALESPERSON FOR FRANCE**  
LATE 20s/EARLY 30s To £60,000 pa  
Well-respected and successful international bank seeks French speaker with good track record of covering the French market, selling a wide range of fixed income products.

Salaries quoted are guide lines only and are negotiable for the right person.  
Total confidentiality is assured with CVs released only by arrangement with the applicant.  
Please telephone in strictest confidence  
Elizabeth Hayford on 01-377 5040 or write to her at:

**LJC BANKING APPOINTMENTS**  
Devonshire House,  
146 Bishopsgate, EC2M 4JX

**ASSISTANT COMPANY SECRETARY**  
N.W. London c.£25,000 + Car

B. Elliott plc is a mechanical and electrical engineering group committed to both organic and acquisitional growth. The group currently has a turnover of over £140 million with an unremitting commitment to profit and performance. In order to strengthen the Head Office team this new and challenging position has been created which will provide an outstanding opportunity for further career development.

Working alongside the present Group Company Secretary the successful candidate will take charge of a wide range of secretarial duties including insurance, property, litigation and statutory duties. The nature of the job will provide the opportunity to travel to group companies in the U.K.

You will be a qualified ACIS, preferably with an engineering industry background which has been gained in a PLC. The ability to integrate into a successful team, coupled with the desire to succeed, will be a prime factor in securing this exceptional opportunity.

In addition to an attractive salary the benefits offered include a non-contributory pension scheme, life assurance, private medical insurance and a company car.

Applicants should forward a full CV. to:

**D. M. Hughes, Group Personnel Executive  
B. Elliott plc, Elliott House, Victoria Road, London NW10 6NY**

**B. ELLIOTT PLC**

**Capital Markets - Japan**

Baring Brothers is looking to recruit an additional executive to market its capital markets services to clients based in Japan and London and to provide support for the Group's staff in Tokyo.

The successful candidate will be working within a team based in London and can expect opportunities for travel and assignment to Japan.

Applicants should be aged between 25-30 years with some experience of capital markets and Japan. Japanese language capability is preferred but not essential.

Salary will be negotiable according to age and experience and other benefits include mortgage subsidy, non-contributory pension scheme and BUPA membership.

Replies in confidence enclosing full C.V. to:

**Peter Bugge, Director,  
Baring Brothers & Co., Limited,  
8 Bishopsgate, London EC2N 4AB.**

**GROUPE FINANCIER INTERNATIONAL**

Nous sommes un Groupe Financier International Gestionnaire d'investissements, dont le total du bilan est de US dollars 500 millions. Nous cherchons un cadre de haut niveau pour notre filiale française située à Paris.

Il sera notamment chargé du suivi de nos relations avec nos partenaires en France, de la recherche et de l'évaluation des projets d'investissement en France.

La poste conviendrait idéalement à un financier avec d'excellentes relations sur le place de Paris, avant le sens des affaires et du marché, organisé et convaincant.

Merci d'envoyer votre C.V. pour un premier contact  
Box A1390, Financial Times, One Southwark Bridge,  
LONDON, SE1 9NA.  
Il sera répondu à toutes les candidatures.

**Dutch speaking  
INVESTMENT  
ANALYSTS**

wishing to relocate to  
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Challenging positions  
with a well-known bank  
are now available.

**Phone: 010 31 20 267835**

**Legal Appointments Appears  
Every Monday**

**For more information please call  
Elizabeth Arthur on 01-873 3351**



VI

# Financial Planning Manager

c. £32,000 + Quality Car  
Northern Home Counties

This is a high technology consumer product company, part of a major multinational, with a UK turnover in excess of £150 million, strong profits and excellent future prospects. This success is based on sustained support for product research and development, investment in advanced production facilities, strong marketing and effective financial management.

The Financial Planning Manager is primarily concerned with production, sales, marketing, product development and basic research and has a wide role which extends to preparation of functional financial plans, budgets and forecasts; monitoring and reporting financial results and trends including recommending appropriate action; and assisting line management with the financial management of the company. The position reports to the Financial Controller and there is a small department to manage.

Applicants should be graduate accountants with a minimum of 5 years post qualification experience at a supervisory level in a major organisation operating computer based financial systems. The flair to communicate effectively with senior management and to relate to the whole business is a key job requirement. This vacancy has arisen due to the promotion of the current incumbent and prospects will extend to the European parent where British financial expertise is highly regarded. Please apply in confidence quoting ref. L 427 to:

Brian H Mason  
Mason & Nurse Associates  
1 Lancaster Place, Strand  
London WC2E 7EB  
Tel: 01 240 7805

**Mason & Nurse**  
Selection & Search

## AUDIT CONTROLLER ASDA

Leeds to £40,000 + benefits + car

Asda Stores is in the process of integrating 61 superstores recently acquired from the Gateway Corporation. This will establish Asda as the leading superstore operator in the UK. With annual revenues now approaching £4 billion, Asda becomes the third largest UK food retailer. In response to these increasing demands, the company is implementing structural changes at the Leeds headquarters which have created the need for an Audit Controller who will take over responsibility for operational and financial audit, inventory control and security throughout the organisation.

Your main priority in this important and complex position will be to manage your team of over 100 staff in order to make a significant contribution towards business efficiency and profitability. You will be involved in the planning and implementation of major new initiatives throughout the company and will work closely with directors and other controllers. Reporting to a divisional director, your own work and that of your teams, will impact on virtually all aspects of the business.

To succeed in this fast-moving environment you will be a graduate in a financial discipline, qualified accountant or MBA, who is technically strong and highly communicative. Experience within a professional audit operation would be an advantage. However, the main essentials are a shrewd understanding of the importance of tight controls within a business and the personal drive and leadership skills to put them into practice. With success in this role behind you, you will be able to take advantage of the very attractive prospects which the group offers.

Please apply to Lawrence Barnett or Jackie Hardisty at our Leeds office. Ref. No. LD155.

**ASB**  
Quebec House, Quebec Street  
Leeds LS1 2HA. Tel: 0532 446811  
Fax: 0532 446140  
Also at Birmingham, Liverpool, Manchester, Nottingham and Swindon  
**ASB RECRUITMENT LTD** A Division of ASB Barnett Kinship Plc

### EXCITING CAREER OPPORTUNITIES FOR INSOLVENCY MANAGERS

London and Provincial Offices

The Corporate Special Services department of Touche Ross has consistently demonstrated high sustained growth. A recent league table in Accountancy Age showed Touche Ross as having 40% growth in insolvency services in 1988/89, the highest of any big eight firm, with our nearest rival having only 29% growth.

Partners and staff have been active on high quality insolvency appointments such as Anglo American Agriculture Plc, British Air Ferries Plc, Bentleys of Piccadilly Plc, Homes Assured, Sound Diffusion Plc, Super Channel, Tradewind Airways, Tudor Crange Holdings group and many others.

The list of companies we have investigated and reported on to Banks and other city institutions is equally impressive. We cannot mention names of course but the work undertaken has been technically demanding, involving loans of between £2 million and £80 million.

To maintain this momentum of growth we now need to recruit first class managers and assistant managers. They will be qualified accountants with appropriate insolvency experience, probably gained with one of the big firms but most importantly they will be able to demonstrate self motivation and a will to succeed.

If you are in this category then this is your opportunity to develop your career in a well established and highly successful department with real prospects for partnership.

The remuneration package will be competitive and reflect the high calibre of the people we are seeking.

For further details on opportunities either in London or other offices, please telephone Bernadette Breca, Personnel Manager, on 01-405 8799. Alternatively, you may send her your curriculum vitae at the address below:

**Touche Ross**

55/57 High Holborn, London WC1V 6DX.  
Telephone: 01-405 8799.

### Appointments Advertising

For further information

call  
01-873 3000

Deirdre  
McCarthy  
ext 4177

Nicholas  
Baker  
ext 3351

Elizabeth  
Arthur  
ext 3694

FINANCIAL TIMES  
EUROPE'S BUSINESS NEWSPAPER

## GROUP ACCOUNTANT RETAIL

West End

Our client, the leading specialist multiple retailer in its sector with a group turnover in excess of £650 million, is now underpinning its sustained success with a period of consolidation and reorganisation. The central accounts function will become increasingly prominent and will aid the Group in further increasing its already substantial and rapidly expanding market share through the provision of high quality management information.

A qualified accountant is therefore sought to join the Group accounting team at Head Office. The job is seen as a vital link in the flow of timely, quality information to main board level and will include: group/board level management information, quality

c.£28,000 plus f/e car

review of reporting, budgeting and forecasts.

A flexible approach will be expected of individuals since the Group's acquisitive and entrepreneurial style will result in a varied and challenging workload. The role therefore affords recently qualified accountants the opportunity to become acquainted with the whole range of management accounting issues.

The successful applicant would be a self-starter, able to act on his/her own initiative and capable of communicating with colleagues at all levels. Computer literacy is essential.

Please write in confidence, quoting reference R5061/2, to Hilary Douglas.

**KPMG** Peat Marwick McLintock

Executive Selection and Search  
70 Fleet Street, London EC4Y 1EU

## GROUP FINANCE DIRECTOR

London

To prepare a profitable market-leader for full listing.

c.£45k & Management Bonus & Car & Share options.

Our client, a highly successful private manufacturing group and a £30 million leader in its field, offers a commercially astute finance professional the rare and stimulating challenge of steering a profitable organisation to full listing status.

They seek to appoint a Group Finance Director - a new position - to report to and work closely with the Executive Chairman. The Finance Director will be called upon to develop and maintain relationships within the City, manage all corporate finance and capital structure requirements, acquisition evaluation and negotiations, tax, treasury and financial control and provide effective management information systems throughout the group. Your objective will also be to achieve a full listing for the group within the next two years.

The need is for a dynamic and resourceful individual who will bring further financial skills to a young and energetic management team. Qualified - probably Chartered - and aged in your mid-thirties, you will already have a successful track record and will have demonstrated your imagination, enthusiasm and the ability to drive ideas through to fruition in rapidly changing conditions. Well developed management and communication skills are essential.

Salary will be c.£45,000 plus comprehensive benefits including management bonus, executive share option scheme, fully expensed executive car, private health insurance and pension scheme.

To indicate your interest in this exciting business opportunity, in the first instance please send full career details to Steve Gardner, quoting reference 5286 at Stafford Long & Partners Recruitment Ltd., 17-19 Foley Street, London W1P 7LH, or telephone him on 01-436 7671.



### Jonathan Wren Executive

FINANCIAL CONTROLLER  
QUALIFIED ACCOUNTANT  
c£40,000 + Banking Benefits

An international bank is seeking a UK qualified accountant for its London Branch. Responsibilities will embrace M.I.S. statutory accounting plus financial/credit control participation. The successful applicant will be fully conversant with bank accounting and the ability to optimise/improve upon existing systems. This is an unusual opportunity to be a very important member of a small professional team.

Please contact Ron Bradley on 01-623 1266.

**Jonathan Wren**

Recruitment Consultants  
No. 1 New Street, (off Bishopsgate), London EC2M 4TP  
Telephone: 01-623 1266 Fax: 01-626 5255

### FINANCIAL CONTROLLER SCOTLAND

£25,000 + Profit Share + Full Relocation

Our client, an autonomous subsidiary backed by the resources of one of the UK's leading service companies, has exciting plans for rapid and profitable growth. As a key member of the executive team you will provide an overview of all financial matters on site and their impact on profitability. You will also manage and develop the financial management information systems with responsibilities ranging from short term operational efficiency to long term planning. To succeed in this competitive environment candidates must be qualified, highly motivated with strong interpersonal skills and have the ability to motivate and manage people in this growing and demanding business.

Contact: Raymond Clingan, Manager  
Accountancy Executive Appointments  
81 St Vincent Street, Glasgow G2 5TF  
Tel: 041-582 2484

Evenings or Weekends 041-889 5150

AEA

### SENIOR AUDIT POSITIONS ON THE SOUTH COAST

Abbey Life is one of the UK's leading life assurance companies with a reputation for innovation in a rapidly changing industry. For our Bournemouth Head Office we now seek two graduate accountants who must be able to demonstrate high quality audit experience. Internal audit is a high profile function offering an excellent entry point for future career progression.

#### AUDIT MANAGER

c£30,000 plus car and benefits

Promotion has created this outstanding chance to lead an experienced audit team. Responsibilities include the audit of systems under development and operational audits in a highly computerised environment, also with some European exposure.

#### SENIOR INTERNAL AUDITOR

c£25,000 plus benefits

A vacancy also exists for a senior auditor to join one of the audit teams and we would consider applications from recently qualified accountants.

Salaries are negotiable for both these positions and benefits include mortgage subsidy, non-contributory pension, health cover, and a generous relocation package where applicable. These are outstanding opportunities for ambitious accountants keen to progress their career with a leading force in financial services. For more information send your detailed C.V. or telephone Alan Richards, Senior Personnel Officer, Abbey Life Assurance Company Limited, 80 Holdenhurst Road, Bournemouth BH8 8AL. Telephone: (0202) 407308.



**Abbey Life**

#### APPOINTMENTS WANTED

#### AVAILABLE MANAGEMENT ACCOUNTANT

Having recently completed a long term assignment with a blue chip company seeks new short/long term assignments. Rates negotiable.

Write Box A1381, Financial Times, One Southwark Bridge, LONDON, SE1 9HL



## Jonathan Wren Executive

### GLOBAL FINANCIAL MARKETS... to £40,000 + Banking Benefits

As financial conglomerates compete for supremacy in expanding global markets, as equities and bonds are traded instantaneously on screens and money flows around the world faster than ever before, it is essential that participants in these markets have effective financial controls in place.

On behalf of a number of leading international players, we are currently seeking professional accountants with proven expertise in accounting practice, tax and legal matters, capital adequacy and risk management.

These opportunities offer excellent remuneration packages, guaranteed career advancement and high profile roles within leading international investment banks.

Please contact Ann Winder on 01-623 1266.

## Jonathan Wren

Recruitment Consultants  
No. 1 New Street, (off Bishopsgate), London EC2M 4TP  
Telephone: 01-623 1266 Fax: 01-626 5258

## DIRECTOR OF FINANCE

Key Role - Major change environment

c £50,000 + benefits

London

We seek an individual of rare quality to play a major part in the management team of a substantial service organisation.

The position includes responsibility for a department of some 130 staff, including those in subsidiary operations. The appointee will be heavily involved in implementing major change strategy, particularly in financial systems and reporting, and in information technology.

Applications are invited from qualified accountants, probably aged 35-45, with substantial experience of running a large finance function in industry or commerce or who can demonstrate significant achievements in a "Big 8" accounting firm and evidence of managerial ability.

You must be technically outstanding, capable of dealing with a wide range of issues and management at senior levels, and have a track record of setting and achieving strategic objectives.

In addition you will be resilient and determined with the energy and desire to succeed in effecting change within a large and complex structure. The remuneration package will be based on experience and ability and will not be a limiting factor.

Please forward a detailed resumé including remuneration and daytime telephone number quoting Reference No. 10/667, to Jonathan Williams at Morgan & Banks Search and Selection Plc, 114 St. Martin's Lane, London WC2N 4AZ. Alternatively contact him on 01-240 1040 to arrange an initial meeting.

Morgan & Banks

LONDON

WASHINGTON

SYDNEY

AUCKLAND

## Assistant Director of Finance

### Planning & Analysis

c.£31,000 tax free  
Saudi Arabia

GAMA Services Company, the leading Saudi Arabian Hospital Management Organisation, is seeking to strengthen its consultancy team attached to the prestigious Riyadh Al-Khazr Military Hospital Programme. This major hospital project, comprising 2 main hospitals and a series of clinics, is funded directly by the Ministry of Defence and Aviation. The challenge of working in a stimulating, multinational environment and operating effectively within very tight and clearly defined budgets and procedures is indeed enormous.

Responsible to the Director of Finance for the preparation of annual budgets and forecasts, reports on hospital operating costs and variance analysis. The successful candidate should be professionally qualified with 7 years' experience, including financial planning.

The salary quoted includes bonus and is calculated at SR6-£1. The package, including married status, is clearly worth far in excess of the quoted salary.

For further information on these outstanding opportunities, please write enclosing full career details to: Karen Beardsell at GAMA International, 5th Floor, Woodchester House, 2 Selwyn Way, Isle of Dogs, London E14 3GL. Tel: 01-537 3723 or Fiona Higgins, Suite 6-7, 41-43 Westmead Road, Newcastle-Upon-Tyne NE1 4KH. Tel: 091-261 2493.



Our client is one of the UK's leading wholesale cash and carry operations. The Company achieved sales in excess of £1 billion in 1988 and is looking to achieve further substantial growth. Plans to significantly increase the already impressive growth rate, together with an increased commitment to accounting resources, has led to the creation of two new senior positions within the finance function.

## Systems Accounting Manager

to £35,000+car+benefits

In this highly visible developmental role you will report to the Financial Director. Your brief will encompass the co-ordination and implementation of a major branch accounting and systems review which will include the assessment of information systems; the development of procedures to monitor and maintain systems control; and assistance in the development of a sophisticated Management Information System. You will be a qualified accountant, in your early thirties, with strong systems skills. Experience in the wholesale/retail sector would be an advantage. You will possess excellent communication skills with a persuasive but diplomatic style. Ref. 1602.

## Project Accountant

to £30,000+car+benefits

As Project Accountant you will report to the Financial Director and will be responsible for establishing the control of major capital development projects. Your brief will also encompass reviewing and reporting on key management statistics; assisting with the development, preparation and review of business plans; and identifying methods for improving the efficiency of principal operations, together with a variety of other ad hoc assignments. Travel throughout the UK is envisaged. This challenging role requires a recently qualified accountant of the highest calibre. You will possess considerable enthusiasm and energy and the ability to progress rapidly within the organisation. Ref. 1603.



Benefits include BUPA, an excellent pension scheme, a share participation scheme and relocation, if required. If you are interested in either of these positions, please reply in confidence, giving concise career and salary details, and a daytime telephone number, to Richard Holland at the address below. Please quote the relevant reference number. You can telephone for an informal discussion on 01-583 3303 or 01-677 3603 (evenings).

BDO Binder Hamlyn Management Consultants 8 St. Bride Street, London EC4A 4DA

## Manager - Internal Audit

with emphasis as much on profitability as control

City

at least £30,000 + substantial  
Banking benefits

This highly successful, profitable Triple A rated European Bank has seen tremendous growth and diversification in recent years. The time is now right to set up an internal audit function which will concentrate effort on ensuring efficiency and profitability as well as the more orthodox audit work.

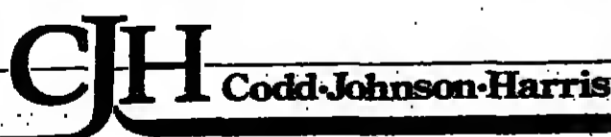
We are looking for a Manager to take a key role in establishing the department; professional skills are taken as read - of paramount importance are the personal qualities required to establish close and effective relationships with senior management.

Ideal candidates, probably late twenties/mid thirties, are likely to be Chartered Accountants with a demonstrably

successful track record in either a large professional firm or within the Banking industry. Tact and diplomacy feature high in our requirements but, crucially, candidates should have the initiative to take advantage of substantial autonomy.

This is undoubtedly a superb career opportunity and the salary package will be made flexible enough to attract the best.

Please send full career details quoting reference A2350 to Malcolm Lawson at Codd Johnson Harris, Human Resource Consultants, 12 New Burlington Street, London W1X 1FF or alternatively telephone 01-287 7007 during the working day or 0444-73216 in the evenings.



## FINANCIAL CONTROLLER - OPERATIONS

### International asset management

City to £35,000 + car, banking benefits and bonus

A challenging new role with scope for job and career growth in a sound and successful team.

Our client is a substantial fund management business active in fixed interest and equity markets and with a reputation for professional excellence. Using advanced information systems and a flexible approach to organisation to meet changing business needs the company plans for further growth. In reviewing its operations the new role of Financial Controller - Operations has been identified.

The primary responsibilities of the functions will be to establish and maintain a strong system of controls and reconciliations within the operations area to ensure the integrity of the group's financial data. A close working

relationship with the group's finance department is envisaged.

We are looking for professionally qualified candidates, probably ACA or ACCA, who have a clear understanding of UK and international settlements procedures and regulatory requirements. You must demonstrate competence in staff management as our client is very aware that its staff are its key asset. A practical enthusiastic approach to work and a willingness to adapt to changing business needs are essential.

If you want to take on this challenge, join a successful and ambitious team and share in their success, please write to me, Chris Bennett, quoting reference U3085 enclosing full career details.



Peat Marwick McLintock

Executive Selection and Search  
70 Fleet Street, London EC4Y 1EU

## PARTNERSHIP SECRETARY

London solicitors  
not less than £60,000

OUR CLIENT is a prestigious, expanding firm with a wide range of corporate and private clients.

As Partnership Secretary, reporting to the Managing Partner, you will have a challenging role - actively contributing to the growth of the practice by reviewing strategic options, planning and controlling all financial activities, and managing the complete administrative function.

The ability to provide significant input regarding the direction of the practice at partners' meetings is essential.

necessitating good communication and presentation skills. Further, the position demands a positive approach and strong man-management expertise in leading and directing the administrative and finance departments, comprising some 25 staff. Considerable autonomy will be afforded to the appointee.

Candidates should be qualified accountants, and experience of working at partnership level within a professional firm, would be a distinct advantage.

Please send career details, indicating current salary, to Fiona McMillan, Ref: 3817/EM/FL, PA Consulting Group, Hyde Park House, 60a Knightsbridge, London SW1X 7LE.



Creating Business Advantage

Executive Recruitment - Human Resource Consultancy - Advertising and Communications

BRITISH AIRWAYS

## Assistant Corporate Tax Manager

Heathrow

£Highly neg + excellent bens

An excellent opportunity has arisen for a corporate tax specialist to join the taxation function of this major international company. Working with the Corporate Tax Manager, the successful applicant will handle an interesting and varied range of work. This will include exposure to both UK and International Compliance and Planning matters, as well as specific one off projects. This role offers a young, ambitious qualified accountant with two years' corporate tax experience the chance to gain valuable commercial exposure.

Candidates should possess strong interpersonal skills and be able to act with initiative and enthusiasm with minimal supervision.

The company has an excellent reputation as an employer and offers an attractive benefits package which includes a performance bonus, profit share and holiday travel opportunities.

For further information regarding this exceptional opportunity, contact Graham King on 01-831 2000 (evenings/weekends on 01-596 6920) or write to him at Michael Page Taxation, 39-41 Park Street, London WC2B 5LH.

In the first instance, interested parties will receive a detailed job description and company information pack.



Michael Page Taxation

International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham  
Manchester Leeds Newcastle-upon-Tyne Glasgow & Wodwide

## Financial Controller

**£40,000 + Car + Bonus +  
Banking Benefits**

Our client is a fast-growing UK merchant and investment banking organisation providing a range of banking and often financial services to customers internationally with offices in London, Europe and North America.

Reporting to the Financial Director and leading a team of Managers, you will be responsible for the financial and management accounting of the company together with the facilities and operation functions. In addition, the job holder will contribute to the further development of highly sophisticated computer systems.

Candidates must be chartered accountants with good interpersonal and management skills preferably gained within the financial services sector.

Commitment and enthusiasm are essential with an ability to be an active member of the company's professional management team.

The attractive remuneration package includes a bonus and usual banking benefits and the position is based in the City.

Please telephone or write enclosing a full curriculum vitae quoting ref: 348 to:

Nigel Hopkins FCA,  
97 Jermyn Street,  
London SW1Y 6JE  
Tel: 01-839 4872

**Cartwright  
Hopkins**

FINANCIAL SELECTION AND SEARCH

## Success is being in the right place at the right time

### MAIDSTONE

If you are a dedicated professional and keen to take responsibility, the right opportunities exist in Coopers & Lybrand, one of the UK's leading firms of Accountants and Management Consultants.

The right place is Maidstone, our fastest-expanding regional office, where a team of 80 offers a complete range of services to the broadest range of clients. The right time is now, as the South East prepares to meet the challenges of 1992.

This unique combination of factors offers you a high-profile role, wide management involvement in a friendly office, and excellent career prospects.

**Business Services Manager** Ref BS  
Working with a Senior Manager and the Partners, you will be responsible for building

and servicing your own portfolio of clients, as well as contributing to the practice as a whole. Clients will rely on your advice concerning matters arising from audit and/or business related issues.

Your background would ideally be Public Practice/ACA in one of the 'big 8', or perhaps an all-rounder from a medium-sized firm.

**Audit Manager** Ref A  
With your own portfolio and a role every bit as demanding as the one described above, you will need to be ACA qualified with a background in Audit.

Both positions require ambition, initiative and self-confidence, backed by at least 3 years' post-qualification experience, a good academic record, and proven management ability.

### COMPETITIVE SALARY + CAR + BENEFITS

In return you will receive the highly attractive salary and benefits package, including relocation assistance where appropriate, you would expect from an organisation that invests in and trains only the highest-calibre individuals.

Please apply with full CV, quoting the appropriate reference, to Hilary Openshaw at Coopers & Lybrand, Plumtree Court, London EC4A 4HT Tel: 01-683 5000.



**Coopers  
& Lybrand**

## INTERNATIONAL AUDIT

• *A cut above the rest* •

### West London

The Gillette Company occupies a pre-eminent position in the consumer products market and, with a turnover in excess of \$3.5 billion, is a major international force in the sale of blades and razors, toiletries and writing instruments.

The Company's International Operational Review teams' primary objectives are to identify opportunities to improve profitability and to play a key role in the Company's continued success. An opportunity has arisen for an Internal Audit Manager, based at European HQ in West London, to take charge of such a team, whose geographical responsibility encompasses Europe, Africa and the Middle

### Highly attractive package

East. This will involve gaining exposure to a variety of operational audit work within both marketing and manufacturing environments throughout the region.

The role requires a qualified accountant with at least five years' relevant experience. In-depth familiarity with computer systems and a readiness to undertake frequent overseas assignments are essential. Above all, candidates must demonstrate a confident, assertive and independent personality, combined with first class interpersonal skills.

Please write in confidence enclosing full career details, quoting reference, G-4545 to Tim Knight.

**KPMG**

**Peat Marwick McLintock**

Executive Selection and Search  
70 Fleet Street, London EC4Y 1EU

## Two Finance Directors

Lincolnshire/Somerset

to £35,000+Bonus+Car

Our client is a successful, expanding UK plc with turnover approaching £700 million and substantial interests in trading and distribution. The Group attributes much of its success to the strength of its operational financial management which is clearly focussed towards total business involvement. Consequently the career development prospects within the Group are excellent.

Following recent acquisitions and reorganisations, Finance Directors are sought by two subsidiary companies within a major trading Division. With current turnovers of £10-20 million, these merchandising companies operate in distinct and separate markets. Working closely with the Managing Directors, each Finance Director will take overall responsibility for finance, systems and administration and be closely involved in the commercial dynamics of the respective businesses to ensure

their profitable expansion and development.

Candidates should be qualified accountants, aged 30-35 with a strong commercial orientation in addition to sound technical accounting and systems skills. An assertive nature and a willingness to take responsibility are pre-requisites, as are good communication and management skills.

Interested candidates should write enclosing a comprehensive C.V. with daytime telephone number, quoting Ref: 376 to Barry Ollier, BA, ACA, Whitehead Rice Ltd., 43 Welbeck Street, London W1M 7PG. Tel: 01-637 8736.

**Whitehead Rice**

MANAGEMENT SELECTION

### Excellent Opportunity for Nigerian National

## FINANCE DIRECTOR - DESIGNATE

Lagos

Excellent Remuneration Package

Our client is a major international group involved in the production of branded, fast moving consumer goods.

The Company now wishes to appoint a Finance Director Designate for their multi-site Nigerian operations, which have a turnover in excess of N.500 million. It is anticipated that after an initial training period in London, the individual will transfer to Lagos and assume full Finance Director status within a period of 18 months.

To be suitable for this role you will:

- Be aged 35-45
- Be a graduate, with an accounting qualification
- Possess a strong affinity to systems

- Have ideally worked within a manufacturing environment
- Have gained previous people management experience
- Possess strong inter-personal skills.

In return the company is prepared to offer an excellent remuneration package, which would include a highly competitive salary, free housing, company car and relocation assistance.

Individuals interested in this position should, in the first instance, write to Peter Flammiger, Director at FMS, 14 Cork Street, London W1X 1PE, enclosing a recent resume and a note of their current salary.

**FMS**

Search and Selection Specialists  
for  
Financial Management

## International Equities

## FINANCIAL CONTROLLER

**£45,000 + significant benefits**

A subsidiary of one of the world's premier banking groups, our client is one of the City of London's leading financial institutions. Providing a full range of investment banking services, the company is highly regarded and is committed to further development.

In a high profile and key position, the Controller will be the focal point for all financial matters relating to the company's Equities Division. Working closely with and providing support to all areas of the business, he or she will review, analyse and present essential information. Part of a well regarded and professional team, the Controller will be expected to make a significant contribution to the development of the Division and its continuing success.

In their early 30s, applicants for this demanding role should be graduate accountants with impressive career records. Practical experience of equity products and their derivatives would be a distinct advantage but the company will consider clearly outstanding candidates from the accounting profession, management consultancy or commerce.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/876/F.

## Financial Controller

Greater Manchester

£26,000 + Car

Our client is a long established public company operating in diverse domestic markets. They are currently embarking on a major expansion programme and seek to recruit a Financial Controller for a newly acquired £4 million turnover manufacturing subsidiary. A recent factory extension and the utilisation of sophisticated CAD techniques demonstrates the company's commitment to future growth.

Reporting to the Managing Director, you will assume full responsibility for finance and administration, with emphasis on the further development of management information systems. Key areas will be to introduce strict financial control in production and stock, as well as in debt collection. As a member of the executive

team, you will be required to work closely with the MD, deputising for him in his absence, with direct involvement in the areas of business development and strategic planning.

Candidates, aged 27-32, will be qualified Accountants who can demonstrate a track record of achievement to date, gained in a manufacturing environment. Strong interpersonal skills and a hands-on approach will be necessary to make an important contribution to the future success of the company.

Interested applicants should forward their Curriculum Vitae, quoting ref. 4491, to Mark Hurley BSc, ACMA at Michael Page Finance, Executive Division, Clarendon House, 81 Mosley Street, Manchester M2 3LQ.



**Michael Page Finance**

International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham  
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

## DIRECTOR OF FINANCE

salary circa £35,000

Sheffield City Polytechnic is the second largest Polytechnic in the UK with 2,300 staff, 10,000 students and a current annual expenditure level of £40m. Since April we have been operating as an independent Higher Education Corporation and continued growth is a key element of our strategic plan.

We are now seeking a Director of Finance to head up the Finance and Information Technology functions. Reporting to the Principal and as a member of a small, highly motivated executive team committed to driving forward the success of the Polytechnic, the person appointed will provide a strong strategic Financial and IT lead for the continued development of the Polytechnic. This will include accountability for financial systems development, enhancement of EMIS, critical review of financial performance, and capital expenditure appraisal and monitoring. Candidates should be qualified accountants with sound financial management, strategic planning and IT management experience.

Please apply in writing giving personal and career details with salary history or phone for an application form to Tom Webster, Head of Personnel, Sheffield City Polytechnic, Pond Street, Sheffield S1 2BB, tel. (0742) 720911, ext. 2374.



**Sheffield  
City Polytechnic**

We are an equal opportunities employer.

## Young Financial Controller International Career

**Berkshire**

**c.£28,000 + Car**

Our client is the European subsidiary of a major US multinational. The Group is a diversified producer and marketer of packaged foods, non-food consumer products, and packaging and industrial products. With turnover in excess of \$8 billion the Group holds number one or number two market positions in all six of its strategic growth areas.

Due to internal promotion they now seek to recruit a Financial Controller. As part of a small head office team you will be responsible for the total reporting function of this multi-site operation. Specifically you will be responsible for the provision of timely management information, budgeting, planning and forecasting.

The ideal candidate will be a graduate chartered accountant, aged 25-30 with two years' post qualification experience. Well developed communication skills, a strong personal presence and commercial awareness are essential qualities for this demanding role.

Interested applicants should write enclosing a comprehensive curriculum vitae to Gary Watson at Michael Page Finance, 1 Brocas Street, Eton, Berks SL4 6BW quoting ref. TV2207.

**Michael Page Finance**

International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham  
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

## Commercial Regional Controller

**Maidenhead**

**£26-29,000 + Car + Benefits**

As part of an international company employing 20,000 people and operating in over 70 countries, our client has established itself as the UK market leader in its dynamic high technology field.

Reporting to the Financial Controller and with the support of a department of 5, you will be responsible for the total commercial activity of the division's £25 million major accounts business. This wide ranging and commercially responsible role will require a powerful blend of technical and commercial skills resulting in the provision of a high quality, professional service to operating managers and household name clients.

In the age range of 28-35, you will be a qualified

accountant with exceptional commercial and interpersonal skills together with the desire to work in a high exposure, customer orientated environment. Wherever specific sector experience is not essential, exposure to a 'blue chip' environment would be an obvious advantage.

The salary range indicated above reflects the importance of the role and will not prove a limiting factor for exceptional candidates.

Applicants who believe they can match our client's demands should submit their curriculum vitae to Paul Boardman ACMA at Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berkshire SL4 6BW, quoting ref. 4104.



**Michael Page Finance**

International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham  
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

## GROUP FINANCIAL CONTROLLER (Director designate)

**Gloucestershire**

**c.£35,000 + car**

Our client is a highly profitable multi-site subsidiary Group of a dynamic and rapidly expanding UK Plc whose turnover exceeds £300m p.a. A policy of strategic acquisition coupled with significant capital investment in existing operations has resulted in an impressive growth rate for the subsidiary.

The appointment of a Financial Controller is now sought to assist the subsidiary Group Managing Director with the financial management of the business.

Candidates aged 30-40 years should be qualified accountants, preferably with a degree who can demonstrate sound industrial experience, ideally gained in a manufacturing environment. In addition to technical ability, well developed interpersonal skills and commercial acumen are pre-requisites.

The successful candidate will have a sharp focus on profit performance and will be responsible for introducing common accounting systems, and the production of monthly management information. The post requires a practical 'hands on' approach and a need to act on personal initiative. This is regarded as a key position within the senior management team and as such a significant contribution to the broader aspects of the business is expected. The prospect of an early board appointment exists for the right person. The remuneration package comprises a competitive basic salary, plus performance related bonus and a fully expensed company car. Relocation assistance is available where appropriate.

For further information please telephone Helen Conibear on 0222 462463 or send your CV to her at the address shown below.

## KPMG Peat Marwick McLintock

Executive Selection  
Marlborough House, Fitzalan Court, Fitzalan Road, Cardiff CF2 1TE

## MEIJBURG & CO. Tax Lawyers

MEIJBURG & CO., a long established and well-respected firm of tax advisors, a member firm of KPMG, is actively seeking a U.S. Tax Manager or Senior Manager.

Candidates should be qualified to practice before the I.R.S. and must have sound U.S. individual and preferably also corporate technical tax experience. Knowledge of one or more European tax systems would be an advantage.

Salary package is negotiable depending on experience, but will include a company car. Assistance with relocation will be provided if necessary.

Letters of application and C.V.'s should be received by November 15, 1989 and should be addressed to:

Mrs. P.M.R. Robertson, Senior Manager, Meijburg & Co., P.O. Box 70123,  
1007 KC AMSTERDAM, The Netherlands.

## Corporate Financial Director

**Manchester £ neg. + car + bonus**

AMEC plc is a vigorous and highly successful construction, engineering and development Group with extensive world-wide interests. The Group's strategy of having a broad and balanced range of activities has allowed for strong and sustained growth, both organically and through acquisition, and future prospects are excellent.

Our client is AMEC Projects Limited, a market leader in the project management sector. The company is currently dealing with a number of prestigious projects throughout the UK, and has ambitious plans for both domestic and overseas growth.

The Corporate Financial Director, working closely with the Managing Director, will play an important role in the achievement of corporate objectives, assuming specific responsibility for the finance function and providing a commercial input to the decision making process.

You should be a qualified Accountant, aged mid to late 30's. Experience of the construction industry would be an advantage, possibly in an international context. Your background to date should indicate continued career development and sound technical skills, although well developed interpersonal and team management abilities are equally important.

The company offers a very attractive salary and benefits package, together with generous relocation assistance where appropriate.

Prospects for career development with the AMEC Group are outstanding. For further information, please write to: Brian Murray, Douglas Llambras Associates, Brook House, 77 Fountain Street, Manchester M2 2ER.

**AMEC Projects**

**DOUGLAS  
LLAMBRAS**

BIRMINGHAM 021 733 4421 DUBLIN 01 452 3764 GLASGOW 041 422 2100 LONDON 01-620 7981 MANCHESTER 061 279 022

## CITY TREASURER

**Package Circa £62,000**

Bernard Farrar, our present City Treasurer, will be retiring early in 1990 and we are now looking for his successor.

Birmingham has established itself as one of the most progressive cities in the European community through the foresight and achievements of the City Council. We've always been regarded as a progressive authority, due to our pioneering development work and policies that aim to provide a first-class service to our one million citizens. To do this we have 51,000 employees and an annual budget of over £1 billion. Our capital and revenue financing has been crucial to our success and will remain so. This is the context within which we are now looking for a new City Treasurer.

You would have a vital role to play, under the leadership of the Chief Executive, in delivering a comprehensive financial service to support the City Council's developing strategies in the short and medium term. This includes the major changes in management structure which are taking place in the authority in order to give both greater freedom and accountability to service managers.

You will need to be a very senior manager involved in financial planning and strategy in a large, multi-disciplinary organisation.

In return you can expect a renewable fixed term contract, negotiable but likely to be around 5 years, enhanced by attractive benefits that include a generous relocation allowance, accommodation allowances and a subsidised car.

For further information and application form please contact

Denise Cutting or John Slatford,  
Directorate of Management and  
Personnel, Birmingham City Council,  
Snow Hill House, Barwick Street,  
Birmingham B3 2PE Tel: 021-235 4238  
or 2915, or Fax 021-233 1866.

Closing date: 10th November 1989.

**Birmingham City Council**

The City Council welcomes applications from all sections of the community, irrespective of race, colour, gender, handicap or disability.  
Job seekers welcome, no partners necessary.

## Commercial Director

**Central London**

**£45,000 + Car + Benefits**

Our client, a successful international creative services company, itself a subsidiary of a larger group, has a strong reputation for quality and innovation. Under new management, the company identifies significant development potential both in the UK and abroad. As a consequence, a Commercial Director is now sought to provide the commercial focus and financial management for all the company's operations during this time of major change.

Areas of responsibility will include finance, commercial operations, personnel and administration; in addition, you will effectively deputise for the Managing Director. This role will provide a considerable challenge in this fast moving and forward thinking business.

You should be an ambitious qualified accountant, aged 30-40, with a strong commercial awareness, and a track record of success within a people-oriented business. You could well have moved out of a purely financial role already, and be looking towards general management as a career objective. Interested applicants should write enclosing a CV and daytime telephone number, quoting Ref 374 to Barry Oller BA, ACA, Whitehead Rice Ltd, 43 Welbeck Street, London W1M 7PG. Tel: 01-637 8736.

*Whitehead Rice*

MANAGEMENT SELECTION

## FINANCIAL CONTROLLER With Commercial Flair

**West End**

**£35,000 + Car**

Our client, part of an international group, operating within the direct marketing/publishing sector has experienced significant growth since its inception two years ago. To help ensure this continued success, they want to appoint a Financial Controller to enhance and manage the finance function.

Reporting directly to the Managing Director, and with total responsibility for all statutory and management reporting, you will be expected to take an active role in the development of the company. This will involve considerable interpretation of the figures in addition to the management of their computation to maximise the performance of the company.

To take advantage of this challenge, you should be an ACA or ACCA

with at least three years post qualification experience. This should have been gained in a commercial environment where your actions have had a direct effect on the performance of the business. However, of paramount importance is your ability to be innovative and flexible within a small but dynamic organisation. With a hands-on approach to management and good interpersonal skills, this is an excellent opportunity to get involved with the commercial aspects of finance.

If writing your own job description appeals to you, please send your CV to our advising consultant, Fiona Davidson, at Seer Selection Ltd, Marcol House, 293 Regent Street, London W1R 7PD. Alternatively, please telephone her on 01-631 0479 (days) or 01-470 0534 (evenings and weekends).

**SEER**  
Seer Selection  
RECRUITMENT CONSULTANTS

# Finance Director (Designate)

Central London

c.£55,000  
+ car and benefits

Our client is a quoted international conglomerate, with a turnover in excess of £100m. Employing over one thousand people in the UK, Europe and the USA, the group's operations range from specialist engineering to the import and distribution of consumer commodities.

As a precursor to the retirement of the current Finance Director, the company wish to appoint a Finance Director (Designate). Working as part of a small executive team, the Director will be responsible for acquisitions, managing the group's financial function, maintaining and developing strong relationships with City institutions and liaising with external advisors.

Likely to be in their forties, candidates will be qualified Chartered Accountants who can demonstrate a significant career record

to date. Experience must include acquisitions, management of a corporate financial function and liaising with City institutions. Candidates should be highly motivated and possess a strong and confident personality yet be able to work as part of a small team. They must be quick to learn and be able to advise on a range of technical issues.

Please send full personal and career details in confidence to Mark Spickett, Executive Selection Group, Deloitte Haskins & Sells, PO Box 198, 26 Old Bailey, London EC4M 7PL, quoting reference 5321/FT on both envelope and letter.

**Deloitte  
Haskins + Sells**  
EXECUTIVE SELECTION

## Financial Director

Create your own success story

Attractive Negotiable Package

London

Walker Books Ltd, founded in 1979, has grown rapidly to become brand leader in the children's book market. In a decade which has not favoured the publishing industry the Company's growth and profitability record is enviable. Turnover stands at £10.5 million and will rise to £12.5 million in the current financial year. Sales are worldwide with a strong export market, and in the UK the Company is the sole supplier of children's books to Sainsbury's.

The Company's success has prompted the need for this new appointment. Reporting to the Chairman, you will provide accurate and timely financial information to enable him to make informed strategic decisions. This will be achieved through the intelligent use of both M.I.S. and the existing well regarded accounts department. A key initial task will be the review and enhancement of computer

systems. This is an ideal opportunity to demonstrate your value to a young expanding Company and affirm your position as a key member of the top management team.

You are a qualified Accountant, probably in your late twenties to late thirties, with significant relevant experience. You are likely to have experience in the publishing industry and must have an understanding of royalty payments systems. Commercial awareness and a hands-on approach are essential.

Salary is for negotiation in a context where excellence is amply rewarded. Benefits include a car, pension scheme, P.P.P, free lunches and, in the foreseeable future, a company creche.

Please write with full career details to Lesley Gifford quoting ref. B20342. MSL International (UK) Ltd., 32 Aybrook Street, London W1M 3JL.

**MSL International**

## Profit Centre Responsibilities For Young ACMA/ACCA

### Factory Financial Controller

Fast Moving Consumer Goods Manufacturing  
c. £27,000 + car North West

Part of a highly successful major international food company, our client is continuing to build its £2000 million turnover UK business. New factory facilities in the North West employ 350 and current turnover is £22 million. Output and productivity are rising strongly in support of sales and marketing initiatives.

An experienced young Accountant, you will lead a team of 11 and be responsible for all aspects of financial management and planning, including computer systems, management information and standard costing at this exciting and responsive high volume site.

As a key member of the senior factory team, reporting to the General Manager, you will probably be in your 30's, a

qualified ACMA/ACCA, with a successful track record in manufacturing accounting and with computer systems experience. You will be a committed and ambitious manager, able to contribute to the broad issues of running the business. Good communications skills and an enthusiastic and progressive attitude are needed. Career prospects within the group are excellent.

Salary is negotiable as shown plus company car and usual executive benefits.

Please write with full career details, including salary - in confidence - to: David Mather, Ref. 31077, MSL International (UK) Limited, Sovereign House, 12-18 Queen Street, Manchester M2 5HS.

**MSL International**

## Group Financial Controller

London

c.£40,000 plus car and benefits

Our client, a dynamic plc, is the largest Group in its field, both in the UK and the US. This position has been achieved largely by an aggressive and highly successful acquisition policy over the last five years. However, the market is very fragmented, and further significant growth is planned both in the UK and overseas. Turnover is currently about £150m, and extremely profitable.

The recent growth has prompted the need to recruit a Group Financial Controller. Reporting to the Group Finance Director, the appointee will be responsible for Group Reporting, Treasury Management, Taxation, and Financial Planning and Control.

You should be a qualified accountant in your thirties, with multinational experience and demonstrable career success to date. You must be able to work effectively in a fast moving, highly acquisitive environment, and have a "hands on" approach.

If you think you are the self-starter we are seeking, please write to Geoffrey Rutland, FCA, AITL, at the address below, quoting the reference 1804, and giving concise career and salary details and a daytime telephone number, or phone him on 01-583 3303 (office) or 01-878 8395 (home).

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HAMLYN**

BDO Binder Hamlyn Management Consultants  
8 St. Bride Street, London EC4A 4DA

## Senior Opportunities in Accounting

Gulf

Attractive Tax Free Salaries + Benefits

Qatar General Petroleum Corporation (Offshore), a state-owned corporation engaged in oil and gas exploration and production, offers the following attractive opportunities in Qatar:

### Controller - Financial Accounts

Reporting to the Finance Manager, you will be responsible for the control of the company's financial accounts and all payments.

This will include management of funding requirements and the settlement of supplier accounts and disbursement of salaries. Ref. 1239/6

### Controller - Accounting Services

You will report to the Finance Manager and be responsible for providing professional and technical support on all financial and accounting matters. The role will involve participation in the

planning and development of computerised accounting systems, the provision of expert advice to operating line management, and ensuring that staff training requirements are met. Ref. 1239/7

For either appointment, you will need to be a Chartered or Certified Accountant with around 10 years' experience in financial and information systems, including some exposure to control and auditing requirements. A background within an oil or gas exploration and production company is desirable.

Both positions are in the senior staff cadre of the Corporation and

will attract a highly competitive remuneration package. This will include tax-free salary, free accommodation, annual leave with family passages, education and recreation facilities.

Please write with full career and salary details quoting the appropriate reference number to: John Strang, MSL International (UK) Limited, 32 Aybrook Street, London W1M 3JL.



## Finance Director

c.£30,000 + Benefits

North Yorkshire

Our client, a successful and rapidly expanding £18 million turnover company with an enviable reputation for added value computer systems solutions to meet users needs, is a significant subsidiary of a developing UK plc. The Company provides corporate and professional users with a total solution to their computing needs selling hardware, software and providing service backup from four centres throughout the UK.

Reporting to the Managing Director and leading an established team, you will provide business flair and practical financial leadership to the closely knit and informal Board. Sound professional experience gained across both large and small companies must be complemented by initiative and well developed interpersonal skills to set and achieve further improvements within this progressive company.

Aged in your 30's or early 40's, you will be a qualified Chartered Accountant, with relevant senior financial experience in a highly commercial environment. You will have developed effective systems and financial controls, have operated to tight deadlines and be familiar in providing proactive business data in support of strategic and business planning. This is an excellent career opportunity, with significant potential for those seeking broader business exposure.

The package comprises an attractive salary plus bonus, fully expensed company car and other appropriate benefits, including relocation assistance.

Please write with career details, including salary - in confidence - to: Mike Holmes, reference 71083, MSL International (UK) Ltd., Sovereign House, 12-18 Queen Street, Manchester M2 5HS.

**MSL International**

## Financial Director

Change management role for a dynamic achiever

To £30,000 + car + substantial bonus

South Coast

Our client is an autonomous subsidiary of a major international manufacturing group. The new Managing Director has initiated a programme of radical change aimed at revitalising operations and transforming the company from technology led to market focused.

Rapid growth is planned, both organic and via acquisition, from the current £20m turnover to a position of European leadership and a cohesive management team is being developed to ensure effective implementation.

An energetic, results-oriented Financial Director is needed to play a key hands-on role in establishing a sharper commercial orientation. Short term priorities are to introduce effective information systems and to improve financial management through strong leadership of the accounts

group. Long term there is a vital strategic role in business planning.

You will be a qualified accountant with a degree level education and significant experience in a manufacturing environment. Aged around 30, you will be highly computer literate, committed to teamwork and your personal qualities will include resilience, maturity, strength of character and the ability to produce results during a period of rapid change. You will be based at the Company's modern, purpose built facility on the South Coast.

Please write in confidence, with full CV to David Thackeray, quoting ref: 96013, MSL International (UK) Limited, Pilgrim House, 2/6 William Street, Windsor, Berkshire SL4 0BA.

**MSL International**

## ACCOUNTS ASSISTANT

Required by Chartered Accountants for inhouse accounts department must be familiar with Bought and Sales Ledger routines and Accounts preparation to Trial Balance. Computer experienced preferred. Salary according to age and experience. Please write with full C.V. to:

Wilder Coe Chartered Accountants  
233-237 Old Marylebone Road, London NW1 5QT

## ASSISTANT FINANCE OFFICER EGYPT

The multinational force and observers (MFO) an independent international organization responsible for monitoring compliance with the terms and conditions of the Egyptian-Israeli peace treaty, is seeking an Assistant Finance Officer for its Cairo headquarters in Egypt. An ideal opportunity for a young dynamic individual with an education in accounting or general business studies, and 2-5 years experience working in the financial department of a company. The ideal candidate will be experienced in bookkeeping, invoice review, disbursements & collection systems, personal computers and standard software application packages. Must also possess the ability to work with people from various linguistic and cultural backgrounds, and be willing to live and work in a comfortable but isolated environment.

One year, renewable, contract being offered for unaccompanied tour of duty in El Gohah, Sinai, Egypt. Attractive salary and benefits package.

Please send resume by fax to MFO headquarters in Rome Italy 39-8-592-0892 or by post to New York addressed to Chief of Personnel, American Embassy/MFO, APO New York 09794-0007.

## Group Financial Accounting Manager

Paris c. 350,000 Francs

The group is one of the fastest growing French multi-nationals (turnover £2 billion) with manufacturing subsidiaries in the USA and throughout Europe. Following a period of rapid expansion through acquisition, the requirement for a British trained Group Financial Accounting Manager has arisen.

Reporting to the Head of Group Accounting, his responsibilities will include liaison with divisions and subsidiaries (systems, deadlines, internal control), the development of standard reporting procedures, and other assignments. Candidates are likely to be a Supervisor or Manager with a major international firm of auditors. A good basic knowledge of French is desirable. For the successful candidate the position will lead to a highly motivating international career in line management.

Please write to the Executive Selection Director, Nicholas Angell Limited, 11 Waterloo Place, London SW1Y 4AU.

## LEGAL APPOINTMENTS APPEAR EVERY MONDAY

FOR FURTHER INFORMATION CONTACT 01 873 3000

NICHOLAS BAKER X3456  
DEIDRE MCCARTHY X3694

## European Financial Director

Property Development £80,000 + bonus + expatriate benefits Holland

First class entrepreneurial opportunity for a talented finance professional to play a major role in the development of a fast growing European property development business.

### THE COMPANY

- ◇ Highly regarded and successful property development business supported by funding of £200 million.
- ◇ Planning to accelerate growth of European activities through existing and new offices.
- ◇ Public quotation scheduled for 1990.

### THE POSITION

- ◇ Responsible to Managing Director for financial strategy, financial and administrative management of European operations.
- ◇ Develop effective infrastructure in each country to support property acquisition and development activities.
- ◇ Full participation in overall business strategy.

### QUALIFICATIONS

- ◇ Commercially minded MBA/qualified accountant, aged 32-40, with successful track record of financial management in a European operation.
- ◇ Excellent leadership, administrative and communication skills.
- ◇ Self starter, creative and highly disciplined.
- ◇ Fluency in at least two European languages.

### THE REWARDS

- ◇ Attractive base salary, bonus scheme and expatriate benefits.
- ◇ Entrepreneurial opportunity with excellent prospects for career development.

Please reply in writing, enclosing full cv, Reference H9921  
54 Jermyn Street, London SW1Y 6LX.



LONDON - 01-493 3383  
BIRMINGHAM - 021-233 4656 - GLASGOW - 041-204 4334  
SLOUGH - 0753 694844 - HONG KONG - (HK) 5 217133

## Group Financial Controller

Major International Plc c.£55/60,000 Central London

Very challenging, senior position in a fast growing, British plc with major international interests.

### THE COMPANY

- ◇ Exciting, dynamic and still entrepreneurial despite a turnover in the region of \$1.5bn.
- ◇ World-wide interests include significant American, European, Far Eastern and Middle East activities.
- ◇ Constant evolution and growth, both organic and by acquisition in several sound industrial sectors.

### THE POSITION

- ◇ Financial control of all the Group's UK and international subsidiaries. Line management responsibility for financial control, systems and insurance managers and head office teams.
- ◇ Close relationship with financial directors of divisions. Reporting to Group Finance Director. Frequent contact with Chairman and Board members.
- ◇ Motivation and direction of people from many business and national cultures.

### QUALIFICATIONS

- ◇ Essential: Qualified Accountant with senior financial control experience in an international group. Able to analyse company operations and improve their profitability.
- ◇ Personal qualities are key: Tough, tactful, articulate, extrovert with a sense of humour. Aged 35-45.
- ◇ Knowledge of the City and corporate finance.

### THE REWARDS

- ◇ An excellent base salary, eligible for stock options, performance related bonus and other benefits.
- ◇ An exceptionally stimulating job with real career opportunities.

Please reply in writing, enclosing full cv, Reference H4239  
54 Jermyn Street, London SW1Y 6LX.



LONDON - 01-493 3383  
BIRMINGHAM - 021-233 4656 - GLASGOW - 041-204 4334  
SLOUGH - 0753 694844 - HONG KONG - (HK) 5 217133

## GROUP FINANCIAL CONTROLLER - Working for Sport

# We offer, and expect, the best of both worlds

First and foremost, you will be required to ensure that our day-to-day headquarters accounting functions, which are the key to the organisation's efficiency, are sustained and developed. Your professional qualifications and management experience will enable you to lead a department, train and develop staff, advise on the implementation of systems and controls, be involved with the preparation of reports etc. and provide an advisory/supervisory service to 10 regional offices.

From this background of practical responsibilities you will, if you have not already done so, be encouraged to develop a wider vision. Like many other organisations, we increasingly expect to adapt to an environment wherein highly desirable social objectives are seen to be entirely

compatible with the need to maximise resources and generate independent income.

Your awareness of commercial realities and appreciation of longer-term financial management strategy can only be enhanced by the contribution which you are able to make to this process. It is, as we have already indicated, the best of both worlds.

There are genuine opportunities for promotion and career advancement for the right person. An initial salary of up to £26,500 is offered together with an attractive benefits package which includes relocation expenses of up to £5,000.

Please send brief career details to  
Ms T. Hindmarsh, Personnel Officer,  
16 Upper Woburn Place, London WC1H 0QP.

# FINANCIAL DIRECTOR DESIGNATE

Cambridge c.£30,000 + car

SPALDING IS a leading worldwide supplier of sporting goods with operations in 9 countries and with 8 consecutive years of record growth and profits. Worldwide, it enjoys market leadership in golf ball and basketball categories and leads the industry with new product introduction and commitment to research and development. Its UK operations provide an opportunity to become part of a growing division of Spalding.

Reporting to the Managing Director, you will have overall control of all financial matters and assist in developing Spalding's business strategies and activities necessary to achieve its profitability and growth objectives for the UK.

You will be responsible for the preparation of business plans, budgets, forecasts and

management information systems while continuing to monitor divisional progress. This position requires a full understanding of US accounting principles and the ability to liaise effectively with other European divisions and US management.

We are searching for a highly motivated qualified accountant, aged 28-45, with a hands-on management style. Candidates should have strong communication and management skills, and the ability to achieve results.

In addition to a competitive salary potential and car, this position is eligible to participate in a lucrative bonus scheme. If you are interested in being part of a management team responsible for directing Spalding's growth in the UK, please send full cv indicating current salary, to Fiona McMillan, Ref: 3808/FM/FT, PA Consulting Group, Hyde Park House, 60a Knightsbridge, London SW1X 7LE.



Creating Business Advantage

Executive Recruiters - Human Resource Consulting - Advertising and Communications

## Finance Director

A key role in a new management team.

Specialising in the manufacture of Defence Equipment, our client is an established UK organisation with an international client base.

To ensure and significantly enhance their growth and performance they are seeking an exciting, challenging phase of re-organisation. Central to this is the recruitment of an ambitious and proactive Finance Director who will complete the dynamic new management team.

As a qualified professional with experience gained in a manufacturing accounting environment with emphasis on costing, you should possess effective interpersonal, communication and leadership skills. The ability to define and implement recommendations must be supported by resilience and sound business acumen. Knowledge of MOD contracts is desirable.

In addition to a substantial remuneration package, which includes share options, bonus and company car our client offers a real career opportunity.

Please write with CV and full description of responsibilities and achievements to date to:

Tony Riley, Barnett Consulting Group Ltd., Airwork House, 35 Fleetville, London W1V 9PB.

Sussex Coast  
c.£35,000  
+ Bonus  
+ Car

## Finance Manager

Cheshire

£25,000 + Car

Our client is a rapidly expanding £12 million turnover manufacturing subsidiary of a major US corporation and is the Head Office for the European division. As a market leader in its field, the company has an enviable reputation for innovation and high quality products.

Internal promotion has led to the requirement for a Finance Manager who, reporting to the Managing Director, will assume full responsibility for finance and information technology. Particular emphasis will be on business planning and forecasting and a newly implemented computer network will require significant input to develop MRP and related systems. As a key member of the management team, the individual will be

expected to make an important contribution to the commercial direction of the business.

Candidates, aged 30+, will be qualified Accountants, who can combine excellent personal skills with a strong technical background gained in manufacturing and must possess the drive and energy to succeed in a dynamic and challenging environment. Future prospects within the Group are excellent.

Interested applicants should forward their Curriculum Vitae quoting ref. 4492 to Mark Hurley BSc, ACMA at Michael Page Finance, Executive Division, Clarendon House, 81 Mosley Street, Manchester M2 3LQ.



Michael Page Finance

International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham  
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

## COMMERCIAL & BUSINESS DEVELOPMENT MANAGER

N.W. LONDON c£32K+BONUS+CAR

This is a unique career opportunity to join one of the largest MBO's in the UK in a role where there is freedom to impact upon key decision-making.

Reedpack is a £900m turnover group of 9 companies with 90 sites in 4 countries. Within the office supplies, paper and packaging markets, Reedpack is an undisputed leader. Reporting to the Group Finance Director and working closely with the C.E. and senior group executives, the brief will cover acquisition evaluation, capital investment appraisal and business strategy. Planning for, rotation, and the period beyond, will be a major project in its own right. Assessment of these longer term requirements will be

bolstered by the need to be highly pro-active in dealing with a diversity of current business issues, both at group and individual company level. The role would ideally suit an MBA or Chartered Accountant, aged late 20's - early 30's with some big company exposure and a fast track career record. The commercial emphasis of the position should develop the ambitious individual into a line management role within a couple of years.

Please write, enclosing full CV to Linda Helms, Head of Management Development, Reedpack Limited, Colston House, High Street, Richmond, Surrey, TW9 1BS. Tel: (0923) 771121.



REEDPACK LIMITED

## APPOINTMENTS ADVERTISING

Appears every Monday, Wednesday and Thursday

for further information call 01-873 3000  
Nicholas Baker ext 3351  
Deirdre McCarthy ext 4177  
Elizabeth Arthur ext 3694

## Financial Directors

To secure the best appointments at senior level needs more than good advice, accurate career objectives and succinct presentation.

InterExec SMI not only provides career advice to successful executives but also retains the unique facility of our subsidiary company InterExec to bridge the critical gap between counselling and the right job.

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LONDON WC2H 0BS.  
The service offered by InterExec is free and can be used independently of the Counselling Service.

Senior Financial Managers

# CONTROLLER

SAUDI ARABIA

c. \$55,000 Tax Free



The Clorox Company is a major US multinational whose principal activity is the development, manufacture and marketing of fast moving consumer packaged goods. With a worldwide turnover in excess of \$1.3 billion, the Company is continually expanding and seeks a qualified accountant to take up a key role based in Jeddah, for two joint-venture companies. Reporting to the local corporate finance manager and with direct liaison to senior management in the UK, the Controller will have responsibility for all finance and accounting issues at joint-venture level as well as at the group level for consolidation purposes.

At joint-venture level, the controller will design and implement action-oriented management reporting supported by detailed commentary and analysis to enable local management to take sound business decisions. Local staff will need training in these systems. Other responsibilities will include building upon and further developing synergy between both joint-venture operations.

At group level, the Controller will develop consolidated management reporting, budgetary and financial planning on an annual and quarterly basis as well as the identification of business opportunities, cost saving exercises and capital investment evaluations. He will also provide analytical support to the central Manufacturing and Marketing functions.

Previous management experience and a sound knowledge of mini/PC-based systems and staff development are essential qualities. The successful candidate will have previously worked outside the UK.

In addition to a competitive remuneration package, the company will provide high quality accommodation as well as frequent return trips to the UK. The appointment will be made on a contract basis with one of the joint-venture companies.

For further details, contact Michael Herot or James Cozens on 01-629 4463 day, 0256 469940 (evenings and weekends) or send an appropriate curriculum vitae to the address below quoting Ref: JC005.

**HARRISON WILLIS**

FINANCIAL RECRUITMENT CONSULTANTS

Cardinal House, 39-40 Albemarle St., London W1X 3FD. Tel: 01-629 4463.

# GROUP FINANCIAL ACCOUNTING MANAGER

Cambs/Lincs Border

£35,000 + car + bonus

This high profile British public group has achieved a position at the forefront of its consumer goods markets through innovation, professionalism and a commitment to the highest standards of quality and efficiency. With a turnover of £500m and a successful record of profit growth, it has a policy of continuing expansion through acquisition and investment for organic growth.

The key role of Group Financial Accounting Manager has been created as part of a restructuring of the head office finance function, in order to keep pace with the growth of the business. Reporting to the Financial Controller and managing twelve staff, the appointee will be expected to build up a thorough understanding of the business through close liaison with the senior operational management. The brief is not simply to control the normal group reporting function, but also to oversee the financial integration of newly acquired companies, to improve the group's usage of its accounting systems, to deal with technical accounting developments and to train and develop the accounting team.

Candidates should be qualified accountants probably aged 28-35. They should have built up sound technical skills and financial reporting experience, ideally in a head office or line accounting role, though managers from a leading accountancy practice will not be ruled out. Strong interpersonal skills are particularly important as this is not an ivory tower "number crunching" role. You should be able to establish your commercial credibility with operational managers and bring the best out of a talented team of subordinates.

It is an ideal entry point for an ambitious accountant into a progressive expanding group and it should lead to a senior line role in an operating company in due course. A generous relocation package to this attractive rural location will be available if appropriate.

Please reply in confidence, giving concise career, personal and salary details to Paul Corvoso, quoting Ref: L463.

Egor Executive Selection, 58 St. James's Street, London SW1A 1LD (01-629 8070)



United Kingdom • Belgium • Denmark • France • Germany • Italy • Netherlands • Portugal • Spain • Sweden

# Financial Director

Computer Services

South East,

Package To £50,000, Car, Executive Benefits

In the decade since its formation this company has grown dramatically in size, market penetration and profitability. Today, with a turnover in excess of £10m, it is a leading source of quality software products, support services, training and consultancy, with an impressive and wide-ranging portfolio of customers.

Its plans for the future are ambitious, encompassing an acquisition programme both in the UK and overseas, and there is a strong possibility of flotation within the next 2 years.

Reporting to the Managing Director and heading up an existing motivated and performing team, the person appointed will be involved in the normal range of responsibilities associated with a senior financial position, as well as making a major contribution to the commercial strategy of the business.

Most probably FCA qualified and aged between 32 and 45, you must demonstrate a combination of outstanding accounting and managerial expertise and proven commercial acumen, with some experience of negotiations with banks and city institutions.

This highly challenging and varied appointment provides considerable scope for career development linked to the growth of the business, and a substantial negotiable basic salary is supported by a bonus and executive benefits.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to, M.A. Grant, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB, 01-734 6852, Fax: 01-734 3738, quoting Ref: H27028/FT.

# Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD, WINDSOR  
A Member of Blue Arrow plc

# FINANCE DIRECTOR

Going to USM

Up to £40K + benefits

This small independent company plans to go to the USM early in 1990 as part of its strategy to expand in Europe and the USA. Marketing specialised food processing equipment, the company has an extensive track record and recent results have been outstanding.

As a key member of a new management team the emphasis will be on developing and implementing the expansion plans as well as managing the small accounts function and introducing enhanced controls and systems.

A qualified accountant is required with practical experience of a USM flotation, gained in either industry or the profession, along with commercial and practical accounting skills needed in the formation of a new international group.

Based outside of Bristol this post offers a generous benefits package, including car and relocation assistance.

Please apply quoting reference 185 to Barbara Wood giving full details of relevant background.

# KPMG Peat Marwick McLintock

Executive Selection and Search  
15 Pembroke Road, Clifton, Bristol BS8 3BG.

# FINANCE AND COMMERCIAL MANAGER

£30,000 (Neg) + Car East Midlands

Our Client is a successful and progressive firm of Solicitors with a number of offices in the East Midlands. Continuing growth, both organic and by acquisition, has created the need for this new role.

The Finance and Commercial Manager will be responsible for the financial management of the firm. Although initially a stand alone role, additional resources will be recruited as they are required. As a senior member of the firm, a significant contribution to business strategy and development plans is expected.

Applicants, probably 30-45 years, will be qualified accountants with sound commercial or business experience and a good understanding of

computerised systems. Mature social and communication skills are essential for success as are flexibility, commitment and a pro-active approach.

This is an exciting opportunity to contribute directly to the firm's success in a wide-ranging role offering considerable scope and excellent potential.

A salary of circa £30,000 per annum is offered and the company car is fully expensed.

Please write with full career details including salary and quoting reference L/126/89 to Morag Lloyd.

# Major Property Group

# DEVELOPMENT ACCOUNTANT

c£30,000 + car + bonus + options

Substantial, successful and highly regarded, our client is one of the UK's leading property groups. The group has an impressive record and is forecasting further rapid growth across all its sectors, both in the UK and overseas.

Based in London, the Accountant will join a small high profile team responsible for the analysis and presentation of commercial information. With an emphasis upon the review and control of significant development projects, he or she will prepare budgets, plans and forecasts. Working closely with and influencing commercial managers, the Accountant will be ideally placed for increased responsibility within this fast expanding and entrepreneurial environment.

In their late 20s, applicants should be graduate accountants with post qualification experience, ideally gained in commerce or industry. Analytical ability and good interpersonal skills are necessary.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference E/876/F.

# KPMG Peat Marwick McLintock

Executive Selection  
Arlan House, Salisbury Road, Leicester LE1 7QS. Telephone (0533) 471122.

LEGAL APPOINTMENTS  
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INFORMATION  
CONTACT  
01 873 3000

NICHOLAS BARBER 2346  
DENISE MCCARTHY 2344

# FLEMINGS

Corporate Finance Executive

An exciting opportunity exists in Robert Fleming (Deutschland) GmbH, based in Frankfurt for a corporate finance executive to be part of our expanding international corporate finance activities.

The successful candidate should have experience in and knowledge of the financial service industry in West Germany from a background in banking or consultancy or other related activity. The candidate should also be fluent in English and it would be desirable if relevant experience had also been gained from a period of work outside West Germany.

The post requires the abilities to develop corporate finance opportunities within the framework of an international organisation. An attractive remuneration package will be available commensurate with ae, qualifications and experience. Applicants should write, enclosing a curriculum vitae to: Herr H. Hochstrate, Robert Fleming (Deutschland) GmbH, Im Trutz Frankfurt 55, 6000 Frankfurt West Germany.

# 東京オフィスにおける マネージング・ディレクターを求めます

沿革: 当インターセック・リサーチ社は15年間にわたり独自の投資パフォーマンス測定調査、及び投資コンサルティング活動の結果、国際投資業界では屈指の急成長を遂げました。ニューヨーク本社、及びロンドン、東京オフィスを擁する13ヶ国にまたがる130名の社員を擁するサービスを提供しています。今後も世界的に新しい展開をしていく所であり、特に日本市場に注目していることはいまもありません。

仕事内容: 私どもの東京オフィスは設立以来6年間、ポートフォリオ・パフォーマンス測定調査、及びコンサルティング・サービス活動において、常に他社をリードしてきました。新商品、新市場を開発していくビジョンと意欲を持っている方、すでに当社の日本におけるクライアントとなっている40社の企業にサービスを提供していくことに興味をお持ちの方にとって、これはマネジャーとしては無敵の機会となることでしょう。米国コネチカット州、スタンフォードの本社社員に昇格いたします。

資格: 日本の機関投資業界で、定評ある実績を持っていること。管理職としてリードしていただけること。日、英両国語堪能なこと。金融市場に精通していること。大卒以上。

待遇: あなたの能力と実績に応じます。将来、持ち株参加への機会あり。

このようなプロフェッショナルで、且つ起業家精神に満ち、急成長を遂げる当社の日本におけるビジネスで先陣を切りたいと思われ方は履歴書と自己PR文(covering letter)を下記まで郵送。又はファックスでお送り下さい。

InterSec Research Corporation Attn: David Booher, Senior Vice President, Hill House, 2nd Floor, 6 Albemarle Street, London W1X 3HF. Fax Number: 01-409-0843

# Bank of England Reporting

International Banking c.£20,000

A leading European merchant bank is seeking a supervisor for the Bank of England reporting area.

The position will include responsibility for regulatory reporting, the preparation of all Bank of England returns, the development of reporting systems and the supervision of a small number of staff.

You will have a minimum of two years' relevant experience with proven supervisory skills. You will be familiar

**Austin Knight**

with computerised bank accounting systems and will have knowledge of Lotus spreadsheets.

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FINANCIAL TIMES COMPANIES & MARKETS

Friday October 27 1989

PLANT & TOOLS WOLSELEY The name behind the name.

INSIDE

Final blow to creditors' hopes

The hopes of bank and broker creditors of the insolvent International Tin Council were dealt a final blow yesterday when the UK House of Lords ruled that the council's members were not liable for its debts.

Market shows signs of nerves

Investors do not often pay Socialist governments the compliment of being nervous before elections. In Spain's case, however, Mr Felipe Gonzalez's Socialist administration has become so closely identified with the country's economic success that the prospect of its losing its absolute majority in parliament on Sunday is playing a large part in the Madrid bourse's recent limp behaviour.

One bright spot

The Congolese economy is in such bad shape that its government could be forgiven for grasping at straws. But the country's rapidly expanding oil industry is more than a forlorn hope.

Giving records a spin

Dutch electronics group Philips plans to spin off about 20 per cent of Polygram, its record company subsidiary, in an international equity offer.

Symbolic start

Trading in the new Ecu deposit future got off to a modest start on the London International Financial Futures Exchange yesterday - in the FT-SE futures pit. There was, writes Katharine Campbell, a certain symbolism in the fact that the contract that marks for life the "second plant" in the European strategy should find a home by brushing aside a domestic product.

Market Statistics

Table with 4 columns: Index, Change, London share service, etc.

Companies in this section

Table listing various companies and their share prices.

Chief price changes yesterday

Table showing price changes for various stocks like FRANKFURT, LONDON, and NEW YORK.

Bad ICI results send London market falling

By Clare Pearson

IMPERIAL Chemical Industries, Britain's biggest chemicals company, sent shudders through the London stock market yesterday when it announced worse-than-expected third quarter results.

ICI, widely viewed as a barometer of the UK economy, saw its shares drop 73p to 1097p in heavy selling after it announced quarterly pre-tax profits of £306m (£490m), 12 per cent lower than last time.

The split of profits also dismayed the market. Bulk products such as petrochemicals and plastics, where a downturn has long

been expected, continued to perform well. But there were signs of softening demand in other product areas, and specific problems in fertilisers.

ICI said it planned to cut the UK sales force and rationalise production at the fertilisers business, which had fallen into loss again after trading profitably during the first six months. This measure, which follows similar steps last year, will involve the loss of about 350 jobs in the UK.

Analysts downgraded forecasts for full-year pre-tax profits by some £100m to around £1.156bn, against £1.477bn last year.



GM, Chrysler and Ford all suffer as poor market bites

By Roderick Oram in New York

DETROIT'S big three vehicle makers turned in sharply lower third quarter profits yesterday reflecting problems in the US market from declining car sales, increased competition from Japanese plants in the US and heavy price cutting.

Ford Motor admitted that its core US vehicle-making operations ran at a loss in the period. General Motors and Chrysler were less forthcoming but analysts believed they were just profitable at best. The stock market had expected such results.

Ford and GM benefited, however, from improved automotive results abroad, particularly in Europe. Both companies were bolstered by their non-automotive businesses or, in Chrysler's case, by a large gain from the sale of some of its stake in Mitsubishi Motors of Japan.

Overall in the third quarter, US car and light truck sales fell 3 per cent even with the help of the incentives. Struggling to work off large inventories, production fell.

In GM's case output fell to the lowest third quarter volume in eight years. Ford said yesterday that fourth quarter output would be down 10 per cent from 1988.

GM's third quarter net income dropped to \$477.1m, or \$1.03 a share, from \$656.8m, or \$1.78. Sales slipped to \$20.24bn from \$20.4bn.

Chrysler turned in net income for the quarter of \$331m or \$1.43 a share, including a net gain of \$90m from the sale of its Mitsubishi stake. A year earlier it had earned \$113m or 50 cents. Sales were flat at \$7.88bn.

Morgan Grenfell 'cool' to Banque Indosuez's invitation to merge

By David Barchard in London and George Graham in Paris

MORGAN GRENFELL, the City of London merchant bank, yesterday responded coolly to calls by Banque Indosuez, a part of Groupe Suez, one of Western Europe's most powerful industrial and financial conglomerates, to establish a partnership in European merchant banking.

Earlier in the day, Banque Indosuez, which is the sixth largest bank in France, announced that it was seeking to buy the 20.4 per cent stake in Morgan Grenfell owned by Willis Faber, the insurance broker, for £137.4m.

Rumours that Willis Faber was preparing to sell its stake in Morgan Grenfell have been widespread in the City for some weeks.

The sale is taking place in two stages because permission must be sought from Willis Faber's shareholders and the Bank of England. The first stage, the purchase of a 10.5 per cent stake from Willis Faber, has been completed, giving Indosuez a holding of 14.5 per cent.

If the full deal is completed, Indosuez will own a total of 24.8 per cent in Morgan Grenfell.

Mr Antoine Jeancourt-Galgani, Indosuez chairman, said yesterday he had written to Morgan Grenfell offering a partnership which would create a new European merchant bank.

"We think that the synergies between the two of us can be extremely attractive," he said. News of the proposed deal was followed by nearly three hours of discussion in London between Mr John Craven, Morgan Grenfell's chairman, and Mr Jeancourt-Galgani.

Mr Craven said afterwards that he had been aware for sometime of the discussions between Willis Faber and Indosuez. It also emerged that Morgan Grenfell and Indosuez had been in discussions earlier this year but that they had broken down.

French group. As yet there is no explicit prospect of a takeover bid by Indosuez. The French bank says it will not bid for Morgan Grenfell, barring the appearance of a rival suitor or some other material change in circumstances.

However, Mr Jeancourt-Galgani has made it equally clear that he would not be adverse to coming close to the 20 per cent limit at which a takeover offer must be made.

This possibility could arise if Deutschebank, which owns 4.9 per cent, or one of the other smaller shareholders in Morgan Grenfell were to sell out to Indosuez.

The group's dividend was increased for the first time since 1986.

The recovery is the reward for swallowing bitter but necessary medicine. This included Morgan Grenfell's withdrawal last December from the securities market and a fierce pruning of its overhead costs and staff numbers, which dropped from over 3,000 to under 2,400 in less than a year.

Refocused on its core activities of banking, corporate finance and asset management, Morgan Grenfell is today in better shape than for several years.

But even before news of Indosuez's move, Morgan Grenfell was regarded by the market as somewhat isolated and a tempting prospect for foreign predators seeking to enlarge their cross-border operations.

Banque Indosuez's moves to acquire a major stake in Morgan Grenfell can be explained in terms of its own background and

current trends in European banking. Indosuez had FF341bn of assets at the end of June, and is the principal banking arm of the Suez group, which controls 100 per cent of its capital.

One of the leading merchant banks in France, it matches Morgan Grenfell's reputation in mergers and acquisitions. Its specialist mergers and acquisitions subsidiary, Financière Indosuez, ranked second behind Lazard Frères in the French mergers and acquisitions market last year, advising on bids worth FF26bn, according to PF Publications.



Antoine Jeancourt-Galgani flanked by Adrien Phares general manager (left) and Patrice Mignon vice president

From its historical roots - the Suez canal operating company and the Banque de l'Indochine - Indosuez has retained a strong presence in both the Middle and the Far East, but it has traditionally been weaker in Europe and North America, areas where Morgan Grenfell is strongest.

In recent years it has built on its Far Eastern activities, buying the London-based stockbroker W I Carr, a specialist in the region with a seat on the Tokyo Stock Exchange, and developing a range of banking and securities market operations: 40 per cent in Producers Bank of the Philippines, 25 per cent in Nava Finance and Securities in Thailand, for example, besides its existing bank branch network.

In the securities market field, Indosuez had already begun to develop its network worldwide. Alongside W I Carr in London, it bought France's leading equity broker, Cheuvreux de Virvies, and took 75 per cent of Capital Securities, a Canadian broker.

But for the rest of its merchant banking activities, the bank's senior executives have acknowledged recently that it was too weak in Europe, especially in London.

Europe, outside France, accounted for only 11 per cent of Indosuez's net income last year compared with 10 per cent for the Middle East and 31 per cent for the Asia and Pacific region.

Its interest in Morgan Grenfell corresponds to number of recent moves by rival French banks, who have begun aggressively building their international activities in anticipation of the opening of the single European market.

Mr Craven said yesterday he and his board would look at the picture in its entirety. "There is nothing to be gained by being hostile or impolite," he said. There is, according to Mr Craven, no cross-channel takeover battle looming.

Tootal and Coates merger approved

By Ray Bashford

THE Monopolies and Mergers Commission has approved the £265m (£250m) merger between the Tootal Group and Coats Viyella provided that Coats disposes of its interests in the UK domestic thread market.

The Commission said the merger would adversely affect competition in the £10m-a-year market for domestic sewing thread, but failed to find any other areas where competition would be reduced excessively.

Mr James McAdam, the deputy chairman of Coats, and Mr Geoffrey Maddrell, the chief executive of Tootal, indicated last night they did not believe the Commission's objection would thwart another attempt to merge.

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INTERNATIONAL COMPANIES AND FINANCE

Navigation Mixte opens fight against Paribas bid

By George Graham in Paris

COMPAGNIE DE Navigation Mixte, the French champagne to insurance conglomerate, yesterday opened its defence against the FFR22.5bn (\$3.5bn) takeover bid launched earlier this week by Compagnie Financière de Paribas.

Gemina seeks arbitration over Ambrosiano

By John Wyles in Rome

GEMINA, the financial holding company controlled by Fiat, is to seek arbitration in its dispute with the other controlling shareholders of Banco Ambrosiano over the acquisition by France's Crédit Agricole of 13.3 per cent of the Milan bank.

Bofors to sack 550 staff as army orders decline

By John Burton in Stockholm

BOFORS, the armaments division of Sweden's Nobel Industries, yesterday announced it will axe 550 workers by next year due to declining orders from the Swedish armed forces.

Oil and gas help Norsk Hydro to advance

By Karen Fossali in Oslo

NORSE HYDRO, Norway's largest publicly-quoted company, saw third-quarter net profits increase to Nkr408m (\$69m) from Nkr334m in the same period last year, in spite of a decrease in operating income in three of the group's four divisions.

Cool response to share disclosures

Haig Simonian on responses to Deutsche Bank's equity stakes

Deutsche Bank's surprise disclosure of a batch of previously unknown equity stakes in leading German companies has triggered a variety of responses in Germany ranging from astonishment to stilled disinterest.

DEUTSCHE BANK'S BIGGEST STAKES

Table with 2 columns: Company, Stake (%). Includes Daimler-Benz (26.24), Philipp Holzmann (36), Karstadt (25.08), Kloeckner (40), Humboldt-Deutz (23.06), Südzucker (10), Allianz (10), Münchener Ruckversicherungs-Gesellschaft (10), Hebelberger (10), Zensert (10), Hapag-Lloyd (12.5), Metallgesellschaft (10.9), Hochtief (12.75).

But the signs are that the bank's disclosures, which are headed by a 10 per cent holding in Allianz, Europe's biggest insurer, worth some DM3.07bn (\$1.87bn) at current stockmarket prices, will not spur a string of copy-cat reactions among Germany's other big institutions.

In the past six months there has been so much written about the power of German banks and their equity holdings that there are no more secrets left, claimed Mr Peter Pletsch, an official from Commerzbank, Germany's third biggest bank.

Securities trading income boosts Crédit Suisse

By John Wicks in Bern

CREDIT SUISSE reported a very gratifying earnings trend for the first three quarters of 1989, one primarily to a sharp rise in trading income.

cent is the key trigger. While stakes above that level have to be included in a bank's capital ratio, a holding of between 10 per cent carries certain important tax privileges.

This both Deutsche Bank and probably other financial institutions, may actually have raised their stakes in some companies to the 10 per cent level following a change in German law, which made such tax breaks available to stakes of 10 per cent, rather than 25 per cent before.

SKF result signals it may enter cyclical downturn

By John Burton in Stockholm

SKF, THE world leader in roller bearings, reported a 78 per cent jump in profit after financial items for the first nine months of 1989, but its third-quarter results indicate it might be heading for a cyclical downturn.

NEW ISSUE

This announcement appears as a matter of record only.

October, 1989



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INTERNATIONAL COMPANIES AND FINANCE

Skase insists Qintex is solvent

By Chris Sherwell in Sydney

MR CHRISTOPHER Skase, the entrepreneurial head of the Qintex television and resorts group in Australia, yesterday insisted his beleaguered empire was solvent and added that, with the support of bankers, it would meet commitments.

The local credit rating agency, has lowered its rating on Qintex Australia from BB minus to CCC, signifying uncertainty about its capacity to repay debts.

Reports yesterday said Mr Skase would shortly be accepting the appointment of an official financial adviser from accountants Peat Marwick Hungerford, as part of the arrangements being agreed with the consortium of bank lenders to Qintex led by Hongkong Bank.

about a loan of US\$38m made to Qintex Entertainment, its 42 per cent-owned US arm, which last Friday filed for Chapter 11 bankruptcy protection.

Brambles to raise A\$79m

By Chris Sherwell

BRAMBLES, the Australian-based international transport and waste management group, yesterday announced that it would generate A\$79m (US\$61m) from a pro-rata share offer and the disposal of share investments.

ASIA Brambles said the offer would generate a one-off extraordinary profit after tax of A\$89m.

The statement added Alletie had also realised an after-tax ordinary profit of approximately A\$48m on the sale of major investments in listed companies since June.

Japan's top electronics groups soar

By Stefan Wagstyl in Tokyo

JAPAN'S three largest integrated electrical and electronics companies yesterday reported record interim profits, which highlight the continuing expansion of the Japanese electronics industry.

Toshiba also announced plans for a ¥410bn (\$2.9bn) fund-raising - the largest call on the capital markets ever made by a Japanese company, exceeding ¥350bn worth of issues announced last week by Sanwa Bank.

Fujitsu 6.7% ahead in first six months

By Ian Rodger in Tokyo

FUJITSU, Japan's top computer maker, enjoyed a 6.7 per cent rise in pre-tax profits to ¥90.2bn (\$365m) in the six months to September mainly because of a 4.7 per cent rise in sales to ¥966.5bn.

SA austerity measures slow OK Bazaars' sales

By Jim Jones in Johannesburg

AUSTERITY measures which have intensified progressively since last year slowed sales and profit growth for OK Bazaars, one of South Africa's largest retail chains, in the half year to September 30.

interim operating profit before interest and tax rose to R28.5m from R24.5m and the interim pre-tax profit was R16.5m against R14.5m.

JVC rises 6% to ¥11.6bn despite drop in sales

By Ian Rodger in Tokyo

PRE-TAX profits of Victor Company of Japan (JVC) rose 10 per cent to ¥11.6bn (\$82m) in the six months to September 30, in spite of a 3 per cent drop in sales to ¥90.6bn.

March 31, making the current period slightly longer than the comparative period.

Gakken profits advance 3.9%

GAKKEN, a large Japanese publishing house specialising in educational books and magazines, posted a 3.9 per cent rise in consolidated pre-tax profits for the year ended August 31 to ¥7.26bn (\$51m) from ¥6.98bn a year earlier, AP-DJ reports.

Fanuc to expand in Europe

By Nick Garnett

FANUC of Japan, the world's largest producer of machine tool controllers, is planning to set up an assembly facility in Luxembourg and a technical centre in Stuttgart, West Germany.

machines tool controllers, a share well behind that held by Siemens of West Germany.

1991. A date for beginning the projects is now being discussed with General Electric.

GENCOR logo and graphic with Arabic text 'شركة الجنکور' above it.

PROFIT ANNOUNCEMENT FOR THE YEAR ENDED 31 AUGUST 1989

Table with 4 columns: 12 months to 31 August, 1989, 1988, and Percent. Rows include Earnings, Dividends, Net assets, and share price.

style which seems to suit us best and allows the leaders of the respective divisions to give their own interpretations and priorities to our common group goals.

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Final dividends in respect of the year ended 31 August 1989 of 220 cents per 40 cents ordinary share and 225 cents per convertible preference share and interest of 171.25 cents per convertible debenture were declared on 20 June 1989 payable on 30 November 1989 to the holders of shares and debentures registered as such on 30 June 1989.

On behalf of the Board
D.L. Key
T.L. de Beer

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9% Series A Notes Due November 26, 1992
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BASQUE COUNTRY The Financial Times proposes to publish this survey on: 21st NOVEMBER 1989

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INTERNATIONAL CAPITAL MARKETS

Swiss vote for single electronic exchange

By Rachel Johnson
THE three Swiss stock exchanges have voted to link up to a single electronic exchange in a move planned to keep Switzerland in the vanguard of the campaign to computerise trading in international markets.

Fixed-rate bond trading will be transferred to a national electronic system costing Sfr35m (£13.5m) by the summer of 1991. The Swiss are still debating whether to replace their regional exchanges - in Zurich, Geneva and Basle - with one national electronic exchange for all securities trading.

The Association of Tripartite Bourses in project co-ordinator for the exchanges, was responsible for evaluating the possible benefits of the system. With the authority and co-operation of exchange members, it came up with the "EBS solution" to deal exclusively with bonds begin with.

All three exchanges declared themselves to be in favour of the system, although some board members on the exchanges expressed their antagonism to electronic exchanges earlier this year.

The detailed specifications of the new exchange are to be worked out in the next few months. Particular attention will be paid to the details necessary for exchange members to plan their own interfaces into the EBS system.

The vote for another electronic exchange underscores Switzerland's intention to remain in the forefront of the computer revolution. Swiss Options and Financial Futures market, which opened in 1988, was the first in the world to offer fully-electronic services from trading to clearing.

Despite technical problems during hardware adjustment on Soffex last summer and the problems of the French and Belgian central dealing systems during the past few days, the planned computerisation of bond trading shows a continued confidence in fully-electronic exchanges.

SEC approves stock market stabilisers

By Janet Bush
In Washington
THE Securities and Exchange Commission has approved a revolutionary new product and market structure developed by the New York Stock Exchange which will allow institutions to buy and sell the entire Standard & Poor's 500 index in a single trade.

The commission voted four to one on Wednesday to approve the NYSE's exchange stock portfolios as well as a similar product proposed by the Chicago Board Options Exchange based on the S&P 500 and 100 indices and a proposal by the Mid-West Stock Exchange to trade non-standard portfolios in an after-hours session.

The most innovative of the three products is the one developed by the NYSE. The exchange has also designed an entirely new trading arena in which to trade baskets.

The potential impact on NYSE trading could be enormous as programme trading will be able to be done at arm's length from the rest of the market.

If the new product becomes widely traded as it is expected to do, the NYSE and the SEC hope that the wild swings of the last two weeks as waves of programme trading hit the floor of the exchange will be a thing of the past.

US Treasuries edge up as GNP shows modest rise

By Janet Bush in New York and Rachel Johnson in London

US TREASURY bonds moved marginally higher yesterday morning after release of preliminary data for third-quarter gross national product (GNP), which showed continued modest growth up to September but pointed to a weaker performance in the last three months of this year.

GOVERNMENT BONDS

Bonds showed no dramatic reaction to the figures. The Treasury's benchmark long bond was quoted 1/4 point higher at mid-session for a yield of 7.87 per cent.

The Commerce Department reported 2.5 per cent GNP growth in the third quarter, exactly in line with expectations, and compared with an unrevised 2.5 per cent rate of growth in the second quarter.

Both the implicit price deflator and the fixed weight index provided evidence of lower than expected underlying inflation in the third quarter of 2.3 per cent in each case compared with 4.6 per cent and 5 per cent in the second quarter respectively.

Growth in the third quarter was boosted by a healthy gain in consumption spending, primarily because of a high level of car sales. However, a build up in inventories suggested that manufacturing industry would cut production and employment in the fourth quarter.

The Fed yesterday drained liquidity from the banking system through four-day matched sales while Fed funds were trading at 8 1/2 per cent, the Fed's perceived target.

JAPANESE government bonds continued their gradual downwards drift of the past week, and closed lower amid relatively light trading.

Worse US gross national product figures for the third quarter undermined investors' confidence as the uncertainty over the Federal Reserve's funding policy continued. The December future closed at 104.47, up against 104.70 on Wednesday, after its opening point at the day's highs, after the report of a drop in year-over-year profits of £306m. "The market was encouraged by the continued signs of recession, and the ramifications of the ICI results, I'm sorry to say," said a trader.

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Bid Price, Change, Yield, Week Ago, Month Ago. Rows include UK Gilts, US Treasury, Japan, Germany, France, Canada, Netherlands, Australia.

at 104.61. Contracts worth \$34,604 trillion (million million) were traded. Yields rose as a result of the poor tone in the market, as yen bonds failed to benefit from the loss of confidence in the equity markets in the US. The yield on the Benchmark No 111 rose to 5.380 per cent from 5.340, after opening at 5.368.

Dealers remained bearish and some suspected that the official discount rate might be raised to a point slightly above its present levels on short-term CDs.

There was an auction of 40 per cent of \$500m of 10-year bonds, producing an average yield of 5.168 per cent and an average bid price of 99.58.

THE UK government bond market moved up by half a

lunch after traders had waited for the company's results "eagerly" all morning. The Benchmark Treasury 11% stock due 2008/07 fell below the key 10 per cent yield level to 9.50 at one point, and moved up a quarter of a point in price to 112 1/2.

IN TURKEY, the central bank sold 300m Turkish lira of one-year bonds at a much lower average yield of 51.61 per cent than the last one year auction. In September, \$1,400m was sold at a much higher yield of 57.10 per cent. The high demand for government bonds and the resulting low yield are due to the liquidity ratio, under which banks have to hold 25 per cent of their total deposits as state bonds or bills of the central bank.

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D. Jorge Mercader Miró, Instituto Nacional de Industria (INI)

D. Luis Carlos Croissier Batista, Comisión Nacional del Mercado de Valores

Sir Martin Jacob, Barclays de Zoete Wedd

Mr G Donald Johnston, Salomon Brothers International Ltd

D. Emilio Botín Ríos, Banco Santander

D. José Ramón Álvarez Rendueles, Banco Zaragozano

Dr Werner P Schmidt, Volkswagen AG/SEAT

Mr Peter Lilley, HM Treasury, UK

D. Claudio Aranzadi Martínez, Spanish Minister of Industry & Energy

D. Manuel Guasch Molins, Ebro/Renault

Mr Dermot Smurfit, Jefferson Smurfit Group plc

Mr Glen Hiner, GE Plastics

M. François Henrot, Compagnie Bancaire

D. Mario Conde, Banesto

D. Javier de la Rosa Martí, Grupo Torres, SA

Mr Jeffrey Schott, Institute for International Economics

Mr Peter Lilley, HM Treasury, UK

D. Claudio Aranzadi Martínez, Spanish Minister of Industry & Energy

D. Manuel Guasch Molins, Ebro/Renault

Mr Dermot Smurfit, Jefferson Smurfit Group plc

Mr Glen Hiner, GE Plastics

M. François Henrot, Compagnie Bancaire

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D. Javier de la Rosa Martí, Grupo Torres, SA

Mr Jeffrey Schott, Institute for International Economics

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World Bank to bring bond issues in three currencies

By Stephen Fidler, Eurmarkets Correspondent

THE World Bank made its presence felt yesterday in three currency sectors of the international bond market...

In Eurosterling, Barling Brothers was the bidding for a \$100m transaction, proceeds from which are being swapped into floating rate D-Marks...

The bonds, with fees nominally set at 1%, came at 63 basis points over the 10 per cent gilt of 1994...

INTERNATIONAL BONDS

borrowers to take advantage of fairly favourable swap rates. The \$200m issue, through Yamaichi International (Europe), carries a seven-year maturity and an 8% per cent coupon with a 10 1/4 issue price...

Brazilian futures markets to reopen

By John Barham in Sao Paulo

BRAZIL'S stock index futures and options markets will be allowed to reopen from today, ending a four-month suspension...

The National Monetary Council, a government body that legislates on financial affairs, sanctioned the return of the markets under tighter regulations designed to prevent the price manipulation...

The council approved new regulations drawn up by the Comissão de Valores Mobiliários (CVM), the capital markets regulator...

LIT faces loss on UAL options

By Katharine Campbell

A BREAKDOWN in internal risk management procedures governing the activities of three options traders with positions in UAL stock has forced LIT Holdings, the transatlantic financial services company, to say it expects to make a loss in the second half of the year...

The traders' actions in the company's US futures and options brokerage and clearing operation, LIT America, as a result of the US stock market's sharp fall two weeks ago...

broadly equivalent to owning the stock, before the Friday 13 October announcement that the financing of the US airline's management buy-out had fallen through...

the weekend ran contrary to the firm's credit control systems. He noted that the market-makers had massively exceeded the size of positions they normally carried...

low, had been placed under review, and that Shatkin investment had been subsumed into another division...

Old Lady glows after Ecu launch

Katharine Campbell on the start of trading in European futures

TRADING IN the new Ecu deposit future was off to a modest start on the London International Financial Futures Exchange yesterday...



Eddie George: Ecu may become European currency

structures necessary for the development of financial and commercial transactions in the Ecu, which is certain to become of increasing importance...

in the European strategy, Mr David Burton said yesterday that systems and space constraints would cramp the exchange's style until they moved to a new building...

NEW INTERNATIONAL BOND ISSUES

Table with columns: Borrower, Amount m, Coupon %, Price, Maturity, Fees, Book runner. Lists various international bond issues.

LONDON MARKET STATISTICS

Table with columns: Rises, Falls, Same. Lists market statistics for various sectors.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: Index No., Day's Change, Est. Earnings Yield, Gross Div. Yield, Est. P/E Ratio, etc. Lists various equity groups and sub-sections.

RISES AND FALLS YESTERDAY

Table with columns: Rise, Fall, Same. Lists rises and falls for various market categories.

LONDON RECENT ISSUES

Table with columns: Issue, Amount, Date, Price, etc. Lists recent issues in equities.

FIXED INTEREST STOCKS

Table with columns: Issue, Amount, Date, Price, etc. Lists fixed interest stocks.

RIGHTS OFFERS

Table with columns: Issue, Amount, Date, Price, etc. Lists rights offers.

LONDON TRADED OPTIONS

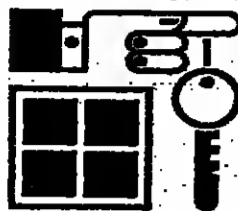
Table with columns: Issue, Amount, Date, Price, etc. Lists London traded options.

Quotations in 1/16ths of £100 unless otherwise stated. All prices are subject to change without notice. For further information see end of page.





# FINANCIAL TIMES SURVEY



Last year saw a record number of shopping-centre openings, but growth in consumer demand

has slowed. The fear now, says Patrick Harverson, is that another rise in interest rates would lead to a recession, leaving the sector with more retail sites than are needed.

## Confidence undermined

THE ONE-point rise in interest rates, to 15 per cent, earlier this month sent a distinct chill through the retail property market in the UK.

As one agent said, on the Monday after these rates had gone up: "Until last week, I was quite confident about the outlook for the retail property market. Now I'm not so sure."

The slowdown in economic growth this year, together with high interest rates and rising inflation, has undermined the confidence of everyone in the market - consumers, retailers, investors and developers alike. Annual growth in retail sales is at its lowest for seven years.

Now that interest rates are up to their highest level for eight years, and appear likely to stay there until well into next year, that fragile confidence will be dented further.

With all this gloom in the retail world, the outlook for retail property might be expected to be equally bleak. Recent statistics, however, tell a different story.

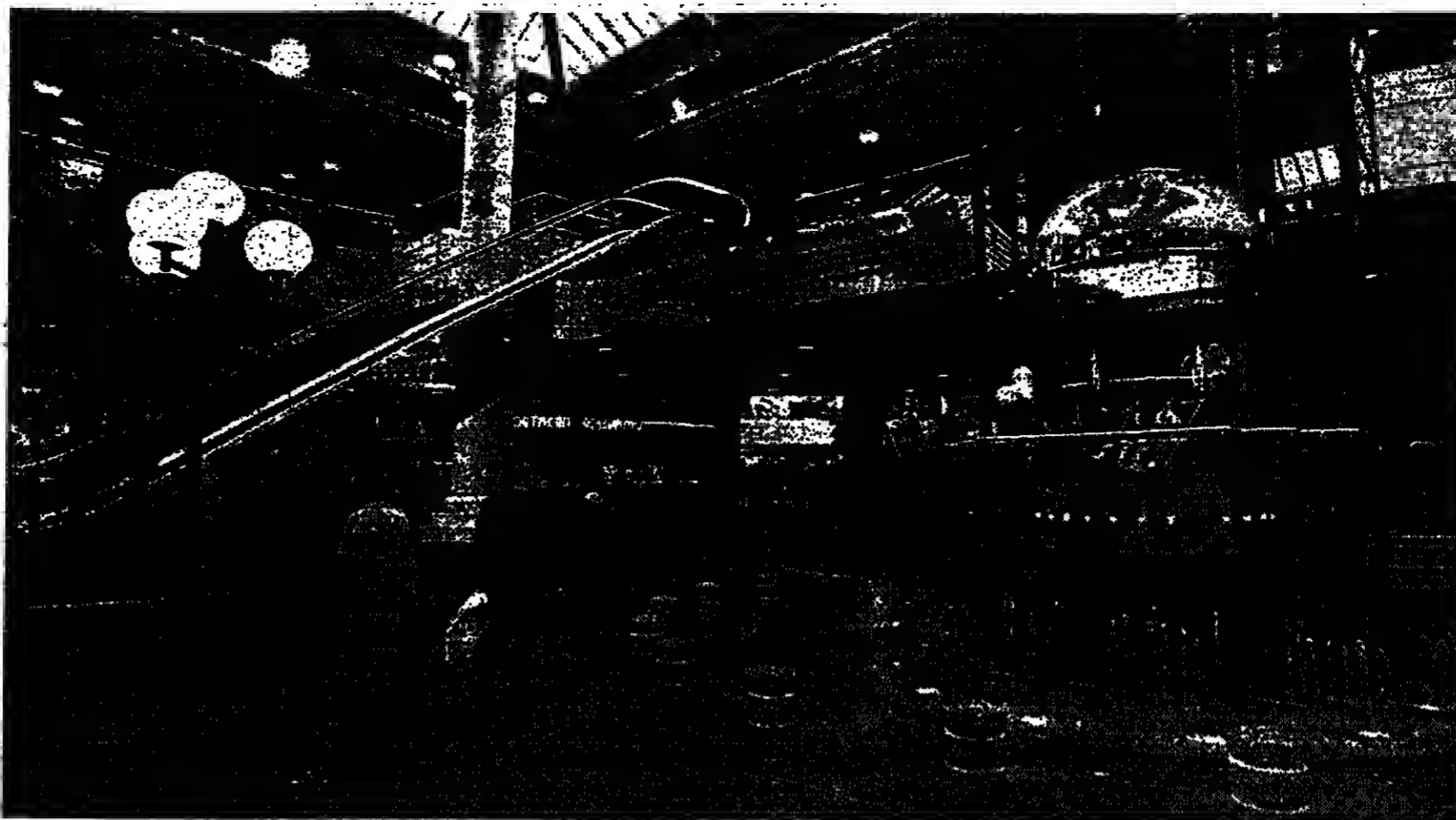
Last year in Britain there was a record number of shopping-centre openings. According to figures from chartered surveyors Hillier Parker, 10.3m sq ft of new retail space was opened in 1988 - over 9 per cent more than in 1987. A mas-

sive 26m sq ft is currently under construction, and this rate of growth will be more than maintained for the next three years, says Hillier Parker.

Many operators in the market remain surprisingly confident. Sandy Paskins, of Chesterton, the chartered surveyors/property consultants, is looking forward to a good 1989 and 1990: "The years 1987 and 1988 were extremely buoyant, where you had a property market in which nothing was available and rents and premiums were forever being hiked up. What is happening now is that we are returning to a more stable market."

Yet there are some early warnings. The most recent Investment Property Databank monthly index showed that, in August, rental value growth of 0.8 per cent for retail property was the lowest of the year to date. Moreover, the annual rate of capital growth on retail property fell below 10 per cent in August for the first time since IPD launched its index in 1980.

Although consumer spending has held up more than the Government may have liked, retailers have, almost without exception, suffered from a



The Metrocentre, at Gateshead (left), is Europe's biggest out-of-town shopping mall. On page 4 of this survey, we talk to its manager, John Bryson, about the centre's development and his own role.

Picture: Alan Harper  
**ALSO IN THIS SURVEY**  
 Retail parks; Town centres  
 Regional centres ..... 2  
 Design; Planning ..... 3  
 Refurbishment ..... 3  
 Rates & rents; Occupiers ..... 4

sharp downturn in domestic demand. Spending on fashion clothing, furniture, DIY goods, electrical appliances and electrical goods has been very sluggish.

In particular, anything to do with the housing market, which could now be heading for the first major slump since the early 1970s, has been hit hard. The exceptions are food stores, which traditionally hold up well in difficult times, and retailers of "small-ticket" or relatively low-cost items. Newsagents and budget jewellers are two good examples.

Expenditure on services by consumers has held up well, despite the hostile borrowing climate. People are still happy to spend more on eating out, holidaying both at home and abroad, visiting the theatre and cinema and other leisure activities, but this is of little comfort to the retail property world.

The effect of slow sales in the high street on the shop property market has yet to be

# RETAIL PROPERTY

fully felt. There has always been a considerable delay before fundamental developments in the retailing world have worked through to the property market.

This is because developers like to wait for firm and consistent evidence that rents are rising before they decide to finance new retail schemes. The spectacular consumer spending boom of 1987-88 attracted huge development interest in retail property, as rents grew strongly alongside retail sales.

The result was a rather belated rush of new investment in shop developments of all forms: retail parks, in-town and out-of-town shopping centres, regional shopping centres, and giant complexes like the Metrocentre in the North-east.

But these developments take three to four years to plan, design and build, and today many property developers are seeing their schemes open at just the time when spending is turning down and costs are ris-

likely to give are rents, the growth of which is rapidly slowing from the peaks of over 20 per cent growth in 1988.

As if slowing consumer spending, high interest rates and overcapacity were not enough, another dark cloud hangs over the retail property market in the UK: the arrival next April of the Uniform Business Rate (UBR) and revaluation of rates.

Although the phasing in of the UBR and revaluation will take the sting out of the new system, it will still increase costs for retailers, add to the squeeze on profit margins and earnings, push rents down and put the shop property market under yet more pressure. The retail property sector is likely to be harder hit than the industrial or office property sectors, because shop rents have risen much faster than office and industrial rents since the last rateable level was set in 1973.

The Inland Revenue calculated, in a recent study, that rate bills in the shop market

would increase by 18 per cent across the country, while some City property analysts predict that, in certain areas, especially in the wealthier south of England, rate bills could rise by as much as 100 per cent.

Although there is no unanimity on the impact of UBR and revaluation - some analysts are quick to point out that rates represent only 1 per cent of sales - no one is in doubt that the weaker retailers will suffer most. With spending slowing, and borrowing costs remaining high, the changes in the rating structure will hurt retailers - and also landlords, who will end up helping to pay for the rates reform by receiving lower rents.

It is not just the retailers who are facing a squeeze on profits; so are the developers. A good deal of the land purchased in the last two years for development as retail sites was acquired at peak prices. With construction costs rising faster than retail prices, and high interest rates pushing up fund-

ing costs, development profits are being squeezed hard.

Finding the funds for development is also an increasing problem. The unhealthy outlook for consumer spending has unsettled the investment institutions. Steve Johnston, senior research analyst at Morgan Grenfell Laurie, believes current sentiment among investors is that "shopping centre development is something to be left well alone for the time being".

There is little doubt that some institutions have been scared off by bearish predictions for retail spending and rental growth. As the Oxford Institute of Retail Management said a few months ago: "Behind the withdrawals can be seen... a growing concern over the viability of some of the more speculative proposals within an uncertain consumer spending environment."

Banks - traditionally great lenders to retail developers, and in recent years seen as an alternative to investment institutions as a source of funds - are also taking a fresh look at the market. This month's warning from the Governor of the Bank of England, on the scale of banks' property lending, is unlikely to go unheeded.

Although the outlook for the retail property market inevitably differs from region to region - rental growth has generally been best in the North and Midlands, while prime sites in the South and East Angles are still in great demand - concern about the future is almost universal.

The greatest fear is that another rise in interest rates will pitch the economy headlong into a full recession, slamming the brakes on consumer spending and leaving retail property in dangerous over-supply.

It is a scenario few in the retail property market are yet prepared to consider. But Russell Schiller, of Hillier Parker, echoed the thoughts of many when he said: "1990 will be bad but not disastrous. But if consumer spending does drop in real terms, and interest rates go higher, we could be in real trouble."

# B I A I N

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**RETAIL PROPERTY 2**

**RETAIL PARKS: there is more to them than tin sheds, says Patrick Harveyson**

**Add leisure — and you've got a day out**

THE GROWTH of the retail park has been phenomenal by any standards. Since the first one opened in 1962 — 93,000 sq ft at Cambridge Close Park, in Aylesbury — over 11m square feet of retail parks has been developed in Britain.

Last year retail park floorspace accounted for roughly half of all shopping centre space opened, according to figures compiled by Hillier Parker, the chartered surveyors. Total retail park floorspace now stands at 11.3m sq ft, with 33 schemes already presently under construction and likely to add another 7.2m sq ft.

The history of the retail park dates back to the 1960s, when the first superstores were created out of the shells of former industrial warehouses. A decade later, purpose-built retail warehouses were springing up, housing a variety of bulk goods operators.

The retail park concept developed rapidly when individual retailers of do-it-yourself goods, carpets and household furniture realised that, by joining forces in one location, considerable benefits could be realised.

The end result was the creation of what is by now the standard form of the retail park. This has a DIY store as the main attraction, backed up by retailers of carpets, furniture, auto parts (predominantly Halfords) and electrical goods, both brown and white. For the more sophisticated retail park, a food superstore

provides an added draw. The central attraction of the retail park, evident from its earliest incarnation, has always been quite clear. To the consumer, it offers several advantages over town-centre shopping. Access is vital. Mostly sited off main artery roads just outside town centres, retail parks are easy to get to.

Parking is usually plentiful, and often free. Shoppers used to fighting for parking space in overcrowded high streets can drive almost to the door of the retailer, find a space near enough to load heavy and cumbersome goods in the car with relative ease, and then make a quick escape, avoiding town-centre traffic jams.

Price is also a considerable attraction to the consumer. Relatively low development, start-up and running costs, and the ability to stock and sell goods in bulk enables retailers to offer competitive prices.

Retail parks are also popular with retailers and developers: with the former, because of the low costs, particularly low rents, and increased trade as a result of its complementary operation; with the latter, because of the relative ease with which planning permission can be won and the relative cheapness of construction. The early parks were particularly inexpensive, consisting of little more than old warehouses converted into large, inelegant, but efficient retail units.

The ugliness of retail parks has been a regular criticism. There is no doubt that shopping in a retail park can be a soulless experience. Until recently, this did not seem to matter. From the start, retailers did not attempt to glamorise the surroundings for fear of ruining the image of cut-price goods available in bulk.

"The concept behind a retail warehouse is that it's just that: a warehouse where people think they're getting a bargain," says Stephen Wall, of Chesterton, the international property consultants. "If you shop in a big industrial building, you think you're getting goods cheap."

It is a simple and effective argument. But in the 1980s, the decade of design, even the retail park has succumbed to the lure of the upmarket image. The property research team at County NatWest WoodMac, the City stockbrokers, suggested in a recent publication that the rush to

improve the presentation of retail parks had been a reaction to the current public debate about the effect of architecture on the environment, stimulated by Prince Charles.

"The Prince Charles factor has made retailers realise that 'crinkly tin sheds' on the fringes of the green belt is not the way to win friends," says County. Local authorities, on whose land so many parks are built, and institutional investors who fund developments, have been keen to follow the trend for "beautifying" retail parks.

Of course, making the retail park environment more pleasant for the shopper costs money. County estimates that the "search for style" has driven up construction costs by between £18.20 to over £30 a square foot.

Changing the mix of retailers has also been part of this process of improving the retail park's image. The more modern parks now include giant toy stores, a smattering of fashion retailers, and — a real draw — an increasing number of Marks & Spencer outlets.

But the most interesting diversification yet seen in retail parks has been into leisure. Multi-screen cinemas, nightclubs, indoor fairgrounds, swimming pools, howling alleys and ice rinks have all been introduced, or are planned, to liven up the image and offer the consumer more of a day out. Leisure tenants are

welcomed with open arms. They utilise unpopulated space, particularly above ground floor, and operate when the shops are closed.

However, one problem inherent in rearranging the mix of retailers in parks is that institutional investors, who provide the funds for development, are less likely to finance a park that does not have the right composition of tenants.

Edward Farrar, of property agents Edward Erdman, explains: "While Homebase, B&Q, Do-It-All and others represent 'rock solid' covenants for the institution, and will therefore play a very positive role in attracting the funding in the first place, few institutions will take the risk of backing a scheme with what they might perceive as a weak line-up, or even a 'weak' link in the chain."

There is no doubt that the changing face of the retail park has not been entirely for the benefit of the consumer. Retail parks are as exposed to the growing slowdown in consumer spending, rising costs (particularly next year when the Uniform Business Rate is introduced) and overcapacity, as any other retail environment.

Like all businesses, they are having to adapt to survive. With a slight, but noticeable, shift in consumer preference back towards more traditional forms of shopping, retail parks will have to work hard not to lose their appeal to shoppers.

**TOWN CENTRES**

**Shoppers call the tune**

CITY FATHERS these days describe the town centre as the birthright of the people. The people's birthright is about to be transformed.

Experts predict a shift in the balance of power, from landlord to tenant, and from retailer to consumer. This happy state of affairs, they believe, will be brought about mainly by higher interest rates. Consumers, with limited money, will be more selective, and landlords will have to become more flexible if they believe a little rent is better than no rent at all.

The 1990s will also usher in a fresh challenge for local authorities and property developers: a demand from the community for more apert shopping leisure and recreational activities in the rejuvenated, friendly town centres to which it looks.

The success of out-of-town shopping centres forced local authorities, traditional holders of the franchise, to forge partnerships with private developers in the 1970s, to spruce up town centres and halt the decline of their investment.

Mr Alan Yates, a partner with Bearer Henderson, the quantity surveyors, believes the marriage between the two has been a good one. "They have definitely put more pep into town centres by improving

the infrastructure and parking facilities, and adding environmentally-pleasing pedestrian malls and food courts."

That every town centre in the UK looks the same as the next is a mere trifle, believes Mr Yates. "It is the only criticism, the achievement has not been a bad one," he says. The lookalike high streets

are sacrificed quality of location in return for achieving the level of expansion they required.

Space in town centres, refurbished in the 1970s, was tight in the 1980s and retailers had to take what they could get. Mr Russell Schiller, head of research at Hillier Parker, the estate agents, says the openings of shopping centres in town centres between 1977 and 1988 were below the level from 1968 and 1976, but are forecast to rise to 7.4m sq ft in 1990 — about the same level as in the early 1970s. With the growth of out-of-town developments, town centres' share of new openings fell from more than 75 per cent in the years up to 1985 to 37 per cent in 1990.

"The recent revival of new openings in town centres has coincided with higher interest rates, and the effect, says Mr Ringer, has been dramatic. There is unlikely to be sufficient tenant demand to meet the supply of new retail space at the rental levels projected at the inception of the development, which in some centres reached 40 per cent in 1988. At the Watergate Centre in Balfour Broadway, west London, for example, 10 out of the 25 shops are vacant.

"It is dangerous to generalise, but some shopping centres are being built for a difficult time," says Mr Ringer. "Selectivity will be the key to success. The right product in the right centre will succeed, and there will be plenty of opportunity to buck the trend of declining rates of increase in retail sales."

Mr Keith Wille, a retail analyst with Goldman Sachs, the securities house, believes retailers will have to cut back on space to cut back on costs. One of the first to do so is Burton Property Trust, Burton's property arm, which has shelved plans for a £200m shopping centre scheme in Plymouth through lack of funding. Mr Yates is more cautious: "It is too early to tell if this is a temporary hitch or an adjustment in the market," he says.

Lower rental growth will bring a lower growth return on retail property investments. Yields have slipped from 4 1/2 per cent to 5 per cent for prime shopping in the last six months, causing a distinct twitchiness among pension funds and insurance companies, the traditional investors. Fewer will be willing to invest, and the willing few will cut their prices.

Mr Ringer believes that it is at the brink of a new world in which town will compete with town for shoppers as will shopping centres within towns. In Guildford, for example, the three shopping centres, two have been refurbished to meet the competition for trade.

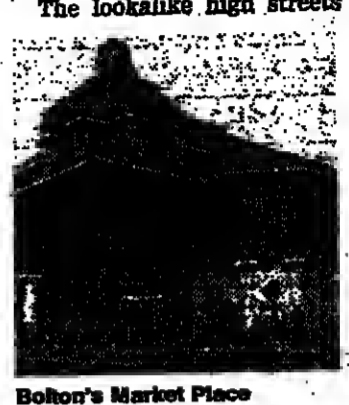
"There will be a change in the management structure, as the landlord will no longer be able to dictate to tenants," Mr Ringer says. "Landlords will be forced to offer more flexible terms, which will lead to the American idea of managing shopping centres as a dynamic business rather than a static investment."

Mr Ringer predicts that the traditional idea of landlords demanding 25-year leases from blue-chip tenants will be out, and that shorter leases of up to five years will be in, leading to concepts and new retail blood, which will make shopping centres more interesting.

"This will usher in provisions for turnover, with the centre manager becoming not so much the landlord but the executive meeting the needs of both landlord and tenant," he says. "The most important ingredient for success in shopping centres, which are really covered high streets, is the right tenant mix."

Help for town centres is at hand, as developers become more pessimistic about obtaining planning permission for retail centres out of town. The Hewitt's Farm development, near Oxted and Bromley in Kent, was rejected on appeal for green-belt reasons.

So the high street in the 1990s will continue to be a hub. Retailing will be more competitive, non-established tenants on shorter leases will add individually to crushingly anonymous town centres — and customers will be masters of all they survey.



Bolton's Market Place shopping development includes a Victorian hall

**REGIONAL CENTRES**

**Long-term enterprises**

REGIONAL shopping centres are an enigma. It is not clear what effect they will have on the retail scene, or how many of them there will be — only that there will not be as many as once seemed possible.

Since the early 1980s, there have been nearly 60 proposals for such centres, defined as shopping areas of 500,000 sq ft or more. They have sought to exploit an increasingly car-borne public, willing to travel to a place where there is a concentration of shopping, probably linked to leisure facilities such as restaurants, cinemas and bowling alleys.

Regional centres have offered commercial rivalry to the town centres, seeking to provide the same facilities in a more controlled environment, often with adjacent retail warehousing.

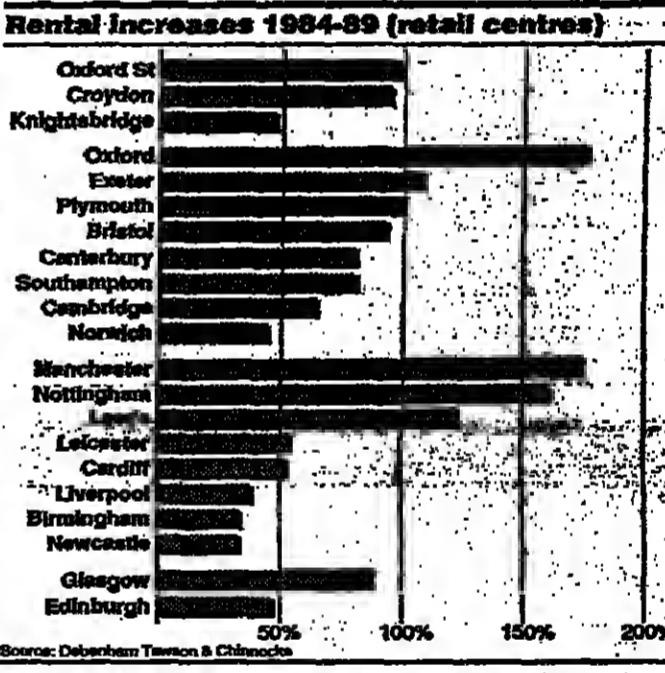
Here, then, is a built-in clash of commercial and planning interests: on the one hand, property owners with existing town-centre investments, and local authorities anxious to preserve the health of traditional centres; on the other, property developers who want to exploit a new trend, and local authorities wishing to create new sources of employment.

Yet the arguments between the two have never been as clear-cut as the basic interests might suggest. This has been seen in the attitude of retailers, anxious to bridge the gap by having representation in both. Indeed, the Metrocentre at Gateshead would never have emerged in its present form had Marks & Spencer, traditionally a town-centre operator, not been prepared to chance its commercial arm at a new site without any retail history.

The standard argument advanced by the promoters of new regional centres is that they are complementary to traditional town-centre areas. There is some force in this argument, given the rise this decade of consumer spending and the spread of car ownership.

But enthusiasm among developers for regional centres has cooled, partly as a result of planning decisions, partly because some plans have fallen by the wayside.

Hillier Parker, chartered surveyors, has forecast that, in regional and district shopping centres together, 1.7m sq ft of space will be opened this year, and 4.2m sq ft in 1990. This compares with a total of up to 1.2m sq ft between 1976 and 1986, a period when the main



example of regional centre was the Hammons development of Brent Cross, in north London.

Putting aside the experience of Brent Cross, which has long been part of the northern London retail fabric, the experience of the new regional centres — and, so far, this means the Metrocentre, and Merry Hill at Dudley — is really too limited to point up more than a few elements likely to lead to commercial success.

But studies by the Oxford Institute of Retail Management, at Templeton College, for the developing Meadowhall centre, near Sheffield, suggest that there are three critical factors for any regional centre: true ease of access; the choice and strength of the retail offering ("what's in it for me"); and the existence of a regional catchment area.

Commercial success for a regional centre — and distress for nearby secondary centres — can only be measured over time. The Metrocentre has climbed to an annual turnover, in the estimate of Chesterton, the managing agents, of more than £200m. But the early experience of some retailers, whether because they offered the wrong sort of goods or did

not suitably design and present their shops, is known to have been disappointing.

More knowledge on centre performance will soon be forthcoming. From the plethora of applications, a few have now been chosen. At Thurrock, Capital & Counties is pushing ahead with the construction of the only new centre on the M25. Meadowhall will open next year. Merry Hill is trading and expanding at the same time. Shopping facilities, of a size suitable for a regional centre, are part of the Canary Wharf development, under construction by Olympia & York, in London Docklands.

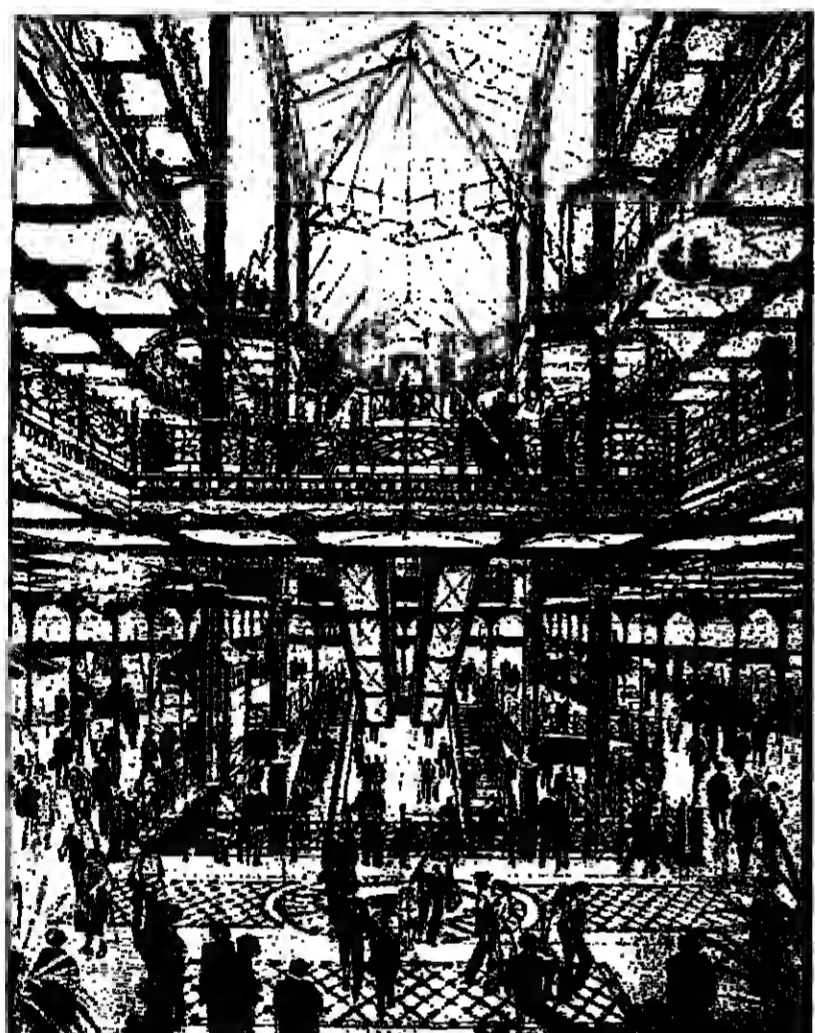
Meanwhile, the planning process has selected the sites for regional centres at Exeter and Leeds. The Manchester Ship Canal Company's proposals, at Dumplington, are preferred by the Department of Environment to plans for other sites in the Manchester area. Sandwell Mall, near Birmingham, has long had outline planning permission.

These decisions suggest that each contribution will have a new regional centre in the next few years, adding a new geographical dimension to the retail network. This movement is probably impervious to short-term nervousness about interest rates. Unlike quickly constructed retail warehouses, they are long-term projects, responsive more to demographic and social trends than to immediate quirks in the economy.

**Enthusiasm among developers has cooled, partly because some plans have fallen by the wayside**

Paul Chesseright

Anne Sacks



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**RETAIL PROPERTY 3**

**DESIGN: retail cuts are hitting the consultancies, as ...**

**The rules begin to change**

THE GIANT swathe that British retailing has been able to cut through town and countryside during the 1980s has been due partly to the power of design to communicate new ideas and developments.

From the city-centre shopping centres to the out-of-town retail shed, developers and the multiple chains which support them - have leaned heavily on the skills of designers to appeal to council members, community leaders and consumers.

The result has been a dramatic reshaping of the physical and commercial landscape in most regions. According to Carl Gardner and Julie Sheppard, authors of an important new book, this retail revolution is arguably the most significant, far-reaching economic and social phenomenon of the age.

They argue that "retail culture" is now all-pervading - "It has colonised huge areas of our social life outside the traditional high street, from sporting venues to art centres, from railway termini to museums". Since the early Next outlets, which promoted a fresh and clear expression of design from 1982 onwards, designers have been in the engine-room of retail growth.

But now, after a summer of standstill retail, growth and interest rate hikes, the retail market has cooled. Closures and cutbacks abound. Investment is on hold, and the sector has itself cooled towards design.

One City analyst puts it bluntly: "Designers and retailers got carried away with design for its own sake." Even designers themselves admit that retailers were entranced by the visual pyrotechnics to the extent that they neglected such basics as location and access in shop property.

Senior designers are talking of a "siege mentality" among retailers, which is spreading to developers. The influential flagship of designer retailing in the 1980s - Next and Sir Terence Conran's Storehouse - are both troubled. Next, in particular, has just turned in appalling results: profits slashed from £30.9m to £16.2m on turnover down from £544m to £470m.

Such a disastrous result makes Next's string of design awards look irrelevant, and serves to emphasise the feeling

**Some designers even invested in the American retail design market. But this has proved a fragile foothold**

of many designers - that design can only be one element in a package of factors contributing to retail success.

According to Stefan Zachary, managing director of McColl design consultancy: "The most successful retailers haven't always had the best visual design. They've achieved excellence by having great merchandise and building up trust with the customer. If I had to make an order of priority for retailers, it would be products first, standard of service second, and image and retail environment third. I've always preached that design is not a cosmetic add-on but a strategic weapon as part of an overall policy."

A fantastical design statement, such as Next's Department X youth fashion store in Oxford Street, London, which resembles a Constructivist stage set, now suddenly appears a relic from a previous

age - even though it only opened last year.

Department X won the top retail prize in the 1988 Design Effectiveness Awards. But what price its outlandish environment now that high street spending has been so severely curtailed? Boots' Children's World was another winner. But Henry Bowrey, director of operations at this new retail venture, is careful to put design in perspective: design can help to present merchandise, he says, but the merchandise must always be "the hero".

The feeling in the retail industry is that you can't put all the blame at the door of design. Even those who have been forced into receivership by the current climate are sanguine. John Phillips launched the After Dark lighting chain on two prime London sites last year, with a smart retail concept and identity, and a plan to extend to the Home Counties if all went well. It didn't. As the home furnishings spending was progressively squeezed, the bank grew impatient and pulled the plug in May this year.

Looking back on the experience, Phillips believes the high cost of property and borrowing money - not design - led to After Dark's downfall. He suggests that the rewards were so great in the boom years of retail that "people were prepared to pay silly money to get those rewards, in shopping, the cost of premises and so on. But they never paid silly money for design."

Even so, cuts are hitting the consultancies. Once, designers would automatically enjoy the fruits of a nationwide store rollout having devised a new format. Now, much of this lucrative work is being done in-house by retailers, or farmed out to assorted local contractors and shopfitters.

Designers' response has been to bypass the blackspot of UK retailing by taking their retail skills into other areas of the British economy such as leisure and tourism, and other markets for retailing such as mainland Europe where there are many new opportunities in anticipation of the single market.

Some designers even invested in the American retail design market. But this has proved a fragile foothold: the 1987 Wall Street crash and a bitter takeover battle in the department store sector put much design work on ice.

The design industry now realises that the rules of retail design are changing. James Woudhuysen, who has set up the European Design Laboratory of Anglo-American design group Fitch-RS, believes that an activity which was essentially cosmetic in the 1980s will now put more emphasis on strategy, ergonomics and psychology. In particular, much effort will be spent on improving staff morale and conditions, so that retailers give "more relaxed, better informed, courteous and efficient service".

Brighton creative director Jon Westlake, whose consultancy has recently completed the first department store for British Airways, puts it another way. He quotes Le Corbusier's maxim from the 1920s: "Architects must stop being drawing-board stylists and become organisers."

Designers must stop being the motivating force for retailers in the 1990s, then designers still believe they have a lot of strategic advice to offer.

*"Consuming Passion: the Rise of Retail Culture, by Carl Gardner and Julie Sheppard, Unwin Hyman (£14.95).*

Jeremy Myerson

**PLANNING**

**Tight buckle on the Green Belt**

CONCERN FOR the Green Belt and the future of existing town centres has been the main factor behind the Government's approach to the planning of what it calls "major retail development".

The Department of Environment overshadows the local authorities in the determination of planning applications for any retail development of more than 250,000 square feet, following a decision nearly three years ago.

At that time, proposals for new centres, often in the Green Belt, seemed to be coming out almost once a week. Regional shopping centres were perceived to be the big threat to the sanctity of the Green Belt - and, indeed, to the Conservative vote in some of the shires. The focus of the Green Belt debate has shifted since then, and development pressures have eased. But the role of the DoE remains.

The starting point for the determination of the planning applications is a planning policy guidance note, circulated in January 1988. For many in the retail industry it is an unsatisfactory document, seen as too vague and open to too many interpretations.

The Government starts from the belief that it is not its task to interfere in retail competition. Thus it deprecates attempts to make detailed forecasts of retail growth or of the geographical distribution of retailing.

But the circular refines this position, by seeking to set down criteria to establish where new developments are unsuitable. Thus they should not be of the kind, or on the scale, that "could seriously affect the vitality and viability of a nearby town centre as a

whole". New centres have no place in the Green Belt, nor are they generally acceptable in the open countryside. They might be suitable for reclaiming large areas of derelict land, where the effect on nearby town centres is diffuse.

The Government appears to want new centres situated within urban areas. The circular encourages local authorities to give over industrial land, where there is more than enough available, to retailing.

Developers and landowners, however, have generally seen the existence of motorway access as a necessity for major new centres. They have preferred greenfield sites to those hemmed in by urban activities. They have seen derelict land, even if in the Green Belt, as a natural site for a new centre.

Between 1986 and 1988 especially, there was therefore a host of applications for new shopping centres along the M25 London Orbital, which itself cuts through the Green Belt. And applications came in that, had they been accepted and constructed, would have surrounded most of the larger towns and cities with new shopping centres.

It was not surprising that a head of opinion built up against any relaxed planning policy for shopping centres. Southampton City Council, for

example, sought to enlist the support of other local authorities in a campaign against out-of-town shopping centres.

But there has also been a quieter effort, by what became known as the Oxford Group, not so much to oppose all out-of-town shopping development, as to clarify the Government's planning circular and to make certain that, where major developments take place outside the traditional areas, they are carefully controlled.

The Oxford Group, based on the Oxford Institute of Retail Management, brings together a group of retailers, property investment and development companies, institutional property owners and chartered surveyors.

Earlier this year, it produced its own alternative to the Government's planning circular, refining further the constraints on shopping centre development. On top of the Green Belt prohibition, new centres would not be acceptable where they created a new focus of activity in a region where no major growth is planned. Nor would they be acceptable if they placed unacceptable loads on the road network, or inhibited major investment initiatives in town or city centres.

At the same time, the Oxford Group did not want new in-town shopping centres

that were not integrated into the existing street network or townscape, or were not associated with the general improvement of a town's environment or infrastructure.

Against this background of debate, the Government has been acting on the shopping centre applications which have been winding their way through the planning process, usually by way of public enquiries and reports from planning inspectors.

An application for a centre outside Bristol, led by Prudential, was deemed to be against the policy set out in the circular, because of its impact on the city centre. And the Prudential lost its fight to create a new centre in the Kent Green Belt, at Hewitts Farm near Orpington. ARC Properties lost its attempt to create a new centre at Wraybury, near the M4, but also in the Green Belt.

Where a number of planning applications have been drawn together into one, or a series of, public enquiries (as in Exeter and Manchester), the Government has found itself selecting one site out of a choice of several.

The DoE usually states that each application is considered on its merits; but, if there is one strong theme that has emerged from the series of decisions, it is that the Government will not permit interference with the Green Belt.

Its firmness was demonstrated when it awarded costs against ABC Properties for its planning appeal over Wraybury: the company should have known that it did not have enough evidence to make its case for Green Belt development exceptional.

Paul Cheeseright

SHOPPING centre refurbishment comes in degrees. Designers, architects and developers, faced with outdated urban sites from the 1960s and 1970s, will choose to update some, tear down others, or even mix the two.

But increasingly, as high interest rates begin to bite in a retail recession, many architectural practices and design consultancies, find themselves involved in delicate refurbishment issues which right the wrongs of 1960s concrete jungles, rather than new developments on demolished or greenfield sites.

"The concrete masses of early shopping centres are considered cold, unsympathetic and outmoded by today's sophisticated shoppers. But this is not the only reason why an urban scheme should become a candidate for refurbishment."

"I think we can track the interest in refurbishments back to 1984, when the whole retail scene really began to hot up," says Elizabeth Howard, research assistant for the Oxford Institute of Retail Management, Templeton College Oxford.

She explains that refurbishment plans, drawn in reaction to the physical state of properties, were speedily advanced as city shopping centres tried to revitalise their images in the face of new competition from out-of-town retail parks.

This view is supported by a Hillier Parker research report on shopping centre refurbishment, which tracked 77 schemes, and which concluded: "Just over three quarters of refurbishments are taking place in schemes which were built 11 or more years ago. There is a bias towards older schemes, but it is not as strong as might be expected. The figures for the oldest schemes (16 to 21 years) are no higher than for the 11-to-15 year olds."

The Hillier Parker report highlighted another "interesting result": four of the refurbishments were among schemes which had opened in the last five years. Even the newest designs were subject to substantial alteration.

Charles Dunnett, shopping centres director at Fitch Benoy, has an explanation for the failure of these earlier shopping centres to meet changing consumer needs: "The developments tended to be viewed as a developer's proposition rather than a management proposition. Retailers



Whiteleys: skilfully tackled from the inside out

**Refurbishment is helping town centres compete with rivals**

**Civilising the concrete jungle**

don't want a quick in-out tenancy, they want a centre that offers them and their customers decent car-parking, eating and other facilities.

Fitch Benoy has just finished a £12m retail refurbishment of the Pavilious shopping centre, at Uxbridge, for the

**Not every project entails bulldozing past aspirations and designs that were well-intended at the time**

Prudential Corporation, which was officially opened this week.

The original 1970s centre consisted of two windswept precincts with wide, exposed malls and understated shop fronts. The British weather, winds and poor access all contributed to a poor image, but the owners had to take

Edinburgh Trust's £250m scheme to redevelop the Bull Ring - a 1960s centre that many would gladly pay to see demolished tomorrow.

But the second city's it is not the only landmark that will not be mourned by local people. UK Land plc has announced plans to completely refurbish and extend the Elephant and Castle shopping centre, in South London. Since it opened in the 1960s, the centre has never traded successfully. Now, a proposed retail-leisure scheme - again designed by Fitch Benoy - is set to add 250,000sq ft of business space and give the completed development a value of around £10m.

However, not every refurbishment entails bulldozing past aspirations and designs that were well-intended at the time. That at Whiteleys of Bayswater, for instance, has been skilfully tackled from the inside out. Subsequently £42.5m has been invested to refurbish and partially rebuild the stylish Grade 2 listed building, derelict since the original Edwardian store closed for trading in 1981.

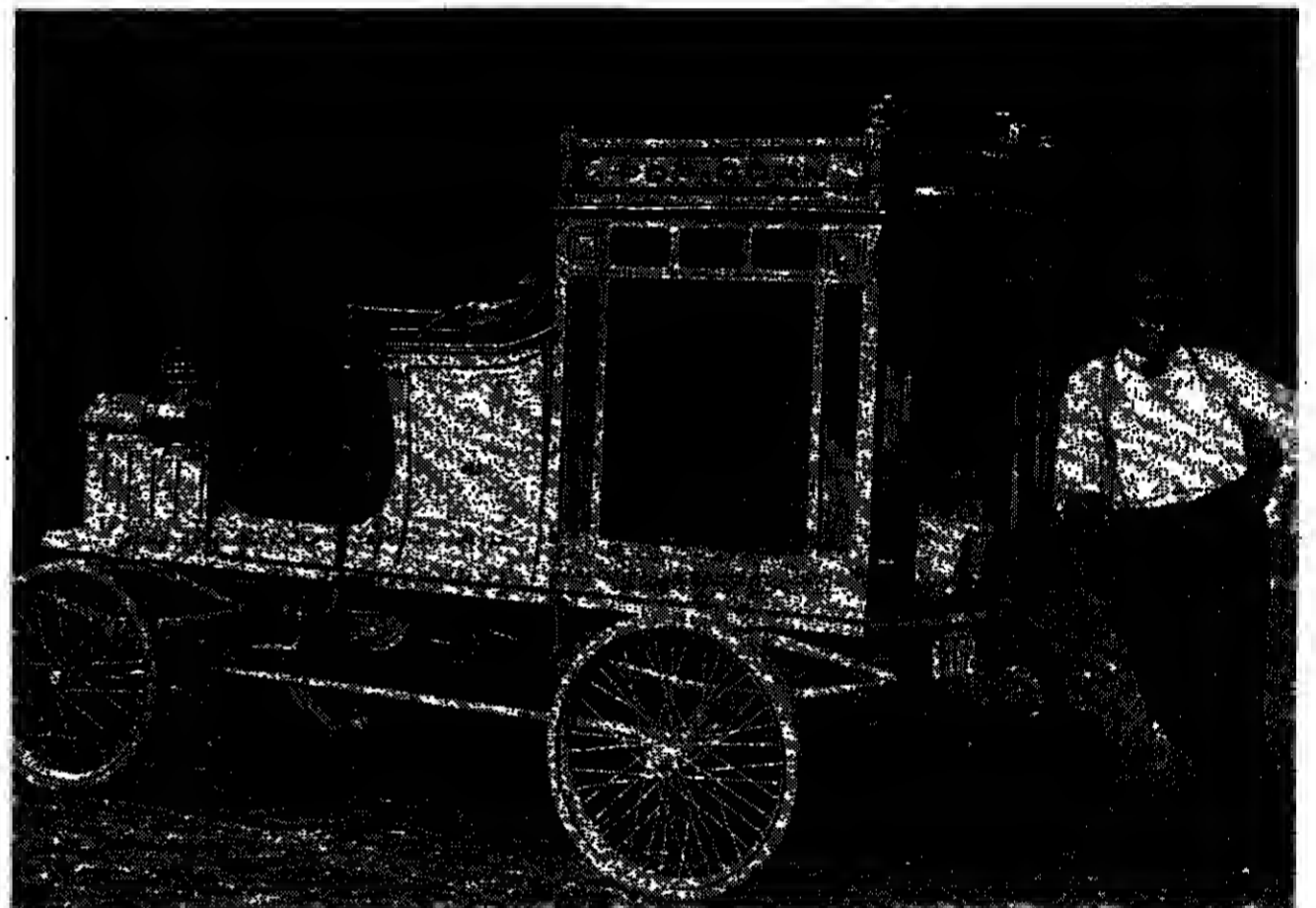
Building Design Partnership was appointed by the developer, the Whiteleys Partnership, to mastermind the transformation of the architecture and its interiors, to house 80 shops, cafes, restaurants along with a multiplex cinema within 290,000sq ft of space.

No less than £5m has been spent on restoration of existing features, to ensure that the elegance of the original 1912 building, designed by Blecher and Jones, has been retained, along with a facade designed in 1927 by Curtis Green. But two thirds of Whiteleys is, in fact, new: behind the retained elements, a haphazard collection of buildings in poor repair has been torn down and replaced with a four-storey structure.

Yet, walk round the perimeter and it is hard to detect where refurbishment of the old ends and construction of the new begins, so finely tuned is the architectural work to the historic nuances of the once-great department.

Such schemes demonstrate how sophisticated designers and developers are becoming in refurbishment centres. There always was an element of make-believe retailing - now it extends to the walls and floors.

Wendy Smith



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**UK COMPANY NEWS**

**N Brown defies postal disruption to rise 10%**

By Maggie Urry

N BROWN Group, the direct mail order concern, achieved a 10 per cent increase in first-half profits.

Pre-tax profits in the half year to September 2 advanced to £5.19m (£4.7m), on sales ahead to £56.72m. Within the total, mail order profits rose 25 per cent to £4.8m. The shares put on 6p to 144p.

Sir David Alliance, chairman, sounded a note of caution about the second half, given the current state of sentiment in the consumer market. However, he added: "I have every reason to remain confident about prospects based on sales to date."

Mr Alan Dean, chief executive, said he was highly satisfied by the performance of the mail order side. Sales rose 11 per cent to £52.5m. Mail order operating profits were up 40 per cent but interest charges rose sharply.

Mr Dean said the group was trying to restore customers' confidence in mail order after last autumn's postal strike. It had concentrated its marketing efforts on the customers most

likely to spend, and had increased the amount spent per person.

It had maintained its number of "live" customers, and margins had risen. Sir David said: "We are on course to restore our net margins to their previous levels."

The group's customer base is largely of older people who are less affected by increases in interest rates, and are often ignored by high-street shops. Mr Dean said there had not been any noticeable increase in had debts.

The non-mail order activities saw a halving in profits. Dumlop Heywood, a commercial surveyor, increased its income and opened a new office in Glasgow, and contributed a £500,000 profit. But losses at Morfitt & Turnbull, a fund management business, cut the total to £420,000, down from £380,000. This business was affected by uncertainty from the regulatory authorities over some of its products and by cuts in commissions on life and pension fund business.

The interest charge rose over

£1m to £2.7m. Earnings per share rose 7 per cent to 5.7p (5.32p) and the interim dividend is up by 5 per cent to 1.575p.

**COMMENT**

These figures were excellent given the difficult background for retailers in general and for mail order companies in particular following the postal strike. They demonstrate the power of Brown's database and its ability to target the most profitable customers, while avoiding wasted efforts on marginal ones. The setbacks last year have taken a year out of the company's growth, which had been running at an annual 30 per cent profit increase. The black spot is the financial services business chosen as a diversification, but surely now a candidate for sale if a decent offer was to turn up. Current year profits may not recover to the £13.5m level of 1987-88, but ought to reach £12m. That suggests a prospective p/e of 10.5, and these figures should mark the start of Brown's share price recovery.

**Wormald drops request for Holmes shareholder meeting**

By Andrew Hill

HOLMES Protection Group's largest shareholder, Wormald International, has defused a potentially damaging dispute with the New York security company by agreeing to withdraw its request for a special shareholder meeting next week.

Wormald, an Australian fire protection company which owns 14.6 per cent of Holmes, aimed to elect five directors to the board next Wednesday.

Instead, Mr Eric Kohn, a director of Barons Financial Services (UK), Wormald's adviser, and not one of the five nominees, is to join the board. Wormald added that it would not actively seek to sell its stake until January 31 1990.

Both sides said yesterday that they were comfortable

with the position.

Wormald wants to give Holmes "a new direction" following a slump in the New York group's 1988 profits. But Holmes had accused Wormald of jeopardising the proposed sale of the company, set in motion formally at the end of last month.

So far over 60 companies from Europe, the US and the Far East, have been approached by Salomon Brothers, which is handling the sale, and a deal is expected before Christmas.

Holmes's shares, quoted in London, were yesterday unchanged at a low of 61p, valuing the group at about £42m.

Holmes said yesterday that if a sale had not been agreed by the end of January, Wormald could ask the company to call

a shareholder meeting to consider any appropriate proposals from the Australian group.

Earlier this year, Wormald challenged Holmes in the US courts after the New York group allegedly denied Wormald's request for information about its shareholders.

The Australian group said yesterday that it would end pending US litigation aimed at recovering the costs of the earlier court proceedings.

Holmes has also made two further board appointments. Mr Ernest Potter, a former finance director of Cable & Wireless, will become a non-executive director and Mr John Flack, who joined Holmes as chief executive in May, will be an executive director.

**Most of Coats/Tootal merger is shown green flag**

By Ray Bashford

THE MONOPOLIES and Mergers Commission has found that the merger between Coats Vuyella and the Tootal Group would have no adverse effects on competition in the UK textiles industry except in the needlework thread market.

After a three-month investigation into the impact on competition of the agreed £235m takeover of Tootal by Coats which was announced last May, the Commission has concluded that the combined group would have a relatively small market share of many individual textile markets, despite its overall size.

The 92-page report concentrates heavily on findings from the investigation into the effects of the merger on the industrial thread and UK domestic thread markets. The investigation found that the new company would have

"well over" 50 per cent of the UK market for the sale of domestic thread used for home needlework which it felt could have "a serious adverse effect on" competition.

To ensure that there was not a lowering of competitive conditions in the domestic thread business, the Commission said that Coats must sell the business and dispose of its 20 per cent holding in Gintermann, a Swiss/German thread company, before the merger could proceed.

Coats and Tootal told the Commission that sales of domestic thread in the UK totalled £10m last year, with Coats' sales totalling £1.8m and Tootal's £3.7m. Gintermann's UK sales were £2m.

"We have decided that, if the merger were allowed, there would be a reduction of competition to the extent that the

public interest in maintaining choice and supply of domestic thread at reasonable price levels would be adversely affected," the report said.

The Commission concluded that the merger would create the world's largest producer of industrial sewing thread with more than 40 per cent of the UK market. The Commission said this would not have a "serious adverse effect" on competition.

After careful consideration of the market for industrial thread and an examination of the ability of other suppliers to compete with the combined group, offering thread manufactured in the United Kingdom, or imported from elsewhere in Europe or the rest of the world, we have decided that the merger would not have a serious adverse effect on competition for the supply of industrial thread," the report said.

The UK market for industrial thread is about £90m a year. Tootal has 23 per cent of the market, Coats has 18, and other companies have 10.

In coming to the conclusion that the merger would not have a serious adverse effect on competition in the industrial thread market, the Commission also concluded that there are many thousands of

Average selling prices for thread				
	Coats		Tootal	
	average price (£/SLU)	% change	average price (£/SLU)	% change
1988	9.04		11.25	
1987	8.88	-2.0	11.75	+4.4
1986	8.79	-0.8	12.5	+6.4

\*Standard length unit - mass of 8,000 metres

Source: Coats and Tootal

users and that there is "significant" price competition, with quality of the thread an important consideration.

The report said that worries about the merger were expressed by an unnamed major UK garment manufacturer which believed that it would lead to higher thread prices.

However, Courtaulds, the biggest UK user of industrial thread, did not oppose the merger and did not consider that it would provide the opportunity to increase prices unreasonably.

Marks & Spencer, a major client for industrial thread from both companies, said that the concentration of market share would not be against its interests because thread was traded internationally and represented only a small proportion of the cost of a garment.

Coats and Tootal argued that the merger would greatly increase efficiency and allow the combined group to achieve increased international competitiveness.

"Coats and Tootal told us that, by bringing together two groups with complementary skills and portfolios in both geographic and product terms, the proposed merger provided major opportunities internationally for improved marketing, production and supply of products, which would make the merged group a more effective competitor internationally, in particular with large Japanese trading houses," the report said. The companies told the inquiry that they expected the combined workforce to be reduced by 600 to 43,500 following the merger and expected most of the jobs to go through natural wastage.

*Coats Vuyella PLC and Tootal Group PLC*  
A report on the merger situations  
*Her Majesty's Stationery Office*  
£3.10 net

**UK THREAD MARKET (1988)**

	Sales (£m)	Market share (%)
Coats	1.8	18
Tootal	3.7	37
Gintermann	2	20
Leicester	0.4	4
Polysew	0.4	4
Korbond	0.2	2
Other	1.6	15
Total	10.0	100

Coats/Tootal estimates

**Rank plans to buy rest of Canadian film laboratory**

By Nikki Tall

RANK ORGANISATION, the leisure and entertainments group, has arranged to buy out the remaining 51 per cent of The Film House Group, a leading Canadian film processing laboratory. It acquired its original 49 per cent stake for C\$57.5m (£40m) in late-1988.

The deal is conditional on a successful leveraged buy-out bid made for Cineplex Odeon Corporation, the quoted Toronto-based cinema group which holds the 51 per cent interest in Film House.

Mr Garth Drabinsky, Cineplex's chairman, and Mr Myron Gottlieb, vice-chairman, are considering a proposed cash offer for the company, but no formal offer has been made.

If the offer does go ahead, by late-November if an expense reimbursement agreement is to be implemented - Rank will

also make a secured loan to the Cineplex purchasers, helping to fund the bid.

Rank says that the combined cost of acquiring control of Film House and advancing the loan will not exceed \$100m (£62m). There has been speculation that the loan element might be about \$80m and the purchase price of the shares, some \$40m. The loan would be relatively small in the context of the bid itself, expected to total about \$1.25bn, including corporate debt assumed.

Apart from the condition that the Cineplex buyout proceeds successfully, the Rank/Film House transaction also depends on completion of a long-term film processing agreement between Film House and MCA, the US entertainment group, and a significant shareholder in Cineplex.

**Globe Trust assets rise 12%**

By Nikki Tall

GLOBE INVESTMENT Trust, the UK's largest investment trust, yesterday reported an 11.7 per cent increase in net assets per share during the six months to September 30 - easily outstripping the 8.7 per cent rise in the FT-A All-Share Index over the same period.

Net assets attributable to shareholders rose from £1.1bn to £1.24bn in the six-month period. Net asset value per share on a fully-diluted basis stood at 228.15p at end-September, compared with 206.14p six months earlier.

Globe attributed the first-half performance to a "repositioning" of its investment portfolio. According to Mr David Hardy, executive chairman, internal worries about the domestic outlook started to surface in July, at which point a major shift into cash or near-cash began.

The UK now accounts for

only half of the quoted portfolio, compared with some 70 per cent a year ago, and the trust has around £200m in cash. Caution on UK prospects has combined with a positive stance on the US currency; the trust has borrowed against the full value of its Japanese portfolio, and moved the money into dollars.

The wariness towards the UK investment scene will continue for some time, predicted Mr Hardy. "We're looking for a soft landing in the US, and a harder landing in the UK," he commented, adding that this may well throw up investment opportunities.

The unquoted portfolio now includes a significant holding in Isosceles, the newly-formed group which won a leveraged bid for the Gateway food retail company earlier this year. This is expected to total around £33m, once the current open offer to Isosceles shareholders

is completed. Globe said that it also took up its rights in the refinancing of MFI, the furniture company bought out by management but which has subsequently hit trading difficulties.

Profits before tax in the six months were £21.74m (£16.18m), with the trust's income up from £23.18m to £29.58m, but earnings from subsidiary companies slipping from £2.57m to £1.65m. Earnings were 2.9p (2.21p).

The interim dividend is 1.78p, an increase of 10.56 per cent on the 1.61p of the previous year.

**Blenheim expands**

Blenheim Exhibitions has acquired Southern and Sussex Craft Exhibitions and Maw Promotions for up to £600,000 cash.

"And now we're looking at Holland's most famous wings" the guide continued his story.

We at Fokker are inclined to disagree.

Swissair as a launch customer triggered 400 orders and options so far, winging the Fokker 100 its way to success.

COMMODITIES AND AGRICULTURE

ITC ruling dashes creditors' hopes

English law finds the council not liable, reports Raymond Hughes

THE MEMBERS of the International Tin Council, which collapsed in October, 1985, owing hundreds of millions of pounds, are not liable under English law for its debts, five Law Lords ruled yesterday.



Lord Griffiths: creditors "suffered grave injustice"



Lord Templeman: "no evidence of authority"

The ruling upheld judgments by the High Court and Court of Appeal which, while suggesting that the ITC and its members had a moral responsibility to the creditors, ruled that English law gave the creditors no remedy.

The "obvious just solution," Lord Griffiths said, was that the governments that had contributed to the ITC's buffer stock "should provide it with funds to settle its debts in the same proportion that they contributed."

The states were subject to the jurisdiction of the English court because of the commercial nature of the transactions that gave rise to the creditors' claims, said Mr Justice Evans.

Diamond miners return to work

STRIKERS at De Beers' South African diamond mines have begun returning to work after reaching a year-long agreement on improved pay and holidays.

Attack on US grain subsidies

By Chris Sherwell in Sydney

THE US's grain subsidy policies have cost US taxpayers billions of dollars, depressed world prices, failed to reduce European exports and hurt countries like Australia, according to a critical study published in Canberra.

cost Australian wheat producers some US\$200m in 1987 and 1988 combined, and reduced Australian production in 1987-88 by about 1m tonnes, or 6 per cent.

Oil prices down amid reports on Opec output

By Steven Butler

OIL PRICES fell yesterday amid reports of rising crude production from the Organisation of Petroleum Exporting Countries.

Congo taps its potential in expanding oil industry

Howard Schissel on new finds and rising output

THE ONLY good news these days for the troubled Congolese economy is emanating from the rapidly expanding oil industry.



In spite of Amoco's offshore discovery, interest is now principally focused on high-potential onshore areas along the coastal plain.

Yanga, Emerald and Tchibou. The new onshore licence holders are currently carrying out preliminary airborne and seismic surveys of the coastal area around the oil centre of Pointe-Noire; BP, for example, does not expect drilling operations to begin before 1990.

LONDON MARKETS

Table with columns for COMMODITY, PREVIOUS, HIGH/LOW, and CHANGE. Includes sections for COCOA, RUBBER, and METALS.

WORLD COMMODITIES PRICES

Large table with multiple columns for various commodities like SOYABEANS, WHEAT, COFFEE, and RUBBER, showing prices in different units and locations.

US MARKETS

Table showing US market prices for COMMODITY, PREVIOUS, HIGH/LOW, and CHANGE. Includes sections for METALS, SOYABEANS, and WHEAT.

Chicago

Table showing Chicago market prices for COMMODITY, PREVIOUS, HIGH/LOW, and CHANGE. Includes sections for SOYABEANS, WHEAT, and CORN.

New York

Table showing New York market prices for COMMODITY, PREVIOUS, HIGH/LOW, and CHANGE. Includes sections for GOLD, SILVER, and PLATINUM.

FRUIT AND VEGETABLES

Table showing prices for various fruits and vegetables like Apples, Bananas, and Oranges.

Small text at the bottom of the page providing additional market information and disclaimers.

LONDON STOCK EXCHANGE

Uncertain prospect for equity market

THE resignation of Mr Nigel Lawson, the UK Chancellor of the Exchequer, and that of Sir Alan Walters, the economic advisor to the British Prime Minister, came nearly one hour after the close of a depressing trading session in London equities.

Account Dealing Dates table with columns for Account, Opening, Closing, and Dealing dates.

for the UK economy and for sterling. Equity strategists fear a heavy fall in shares when the market opens today.

were still in their offices and was seen as a serious blow to the already fragile nerves on the UK stock market.

off at a closing level not seen since the middle of June. The market had opened a shade easier as worries over recessionary pressures on the UK economy continued to unsettle investors.

chief hurdle of the day. The agency involved in waiting for ICI proved nothing compared to that inflicted by the results; pre-tax profits of £308m for the third quarter, against £347m last time, were nearly 500m below market estimates.

FINANCIAL TIMES STOCK INDICES table with columns for Index Name, Oct 26, Oct 27, Oct 28, Oct 29, Oct 30, Year Ago, High, Low, and other metrics.

GILT EDGED ACTIVITY table with columns for Index Name, Oct 25, Oct 26, and other metrics.

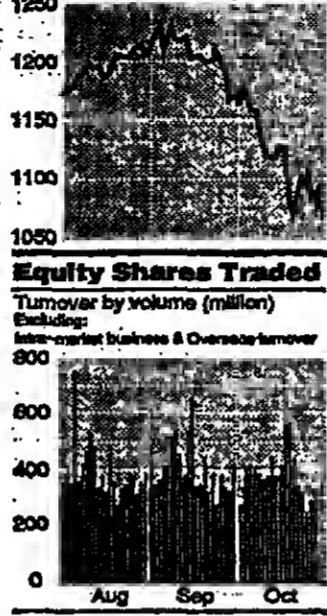
Morgan bid talk returns

The takeover speculation that has surrounded Morgan Grenfell, the merchant bank, virtually since the bank went public in 1986, erupted again yesterday after news that Willis Faber, the insurance broking group, had conditionally agreed to sell its 20.4 per cent stake in MG to Banque Indosuez.

held up well, if the sector were to turn down in the near future "then things will be really bad," one analyst said.

takeover rumour and stake-building speculation. But Refuge, where Athens, the French insurance group, has been busy increasing its holding to a last year's 5.3 per cent, edged up 5 more to 65p; there is still a persistent buyer there," said one dealer.

FT-A All-Share Index



510p on turnover of 1.3m. Enterprise were among only a handful of stocks up on the day, the shares closing 3 pence at 59p.

early weakness as analysts at Morgan Stanley changed their recommendation on the stock from hold to weak hold. Market-makers expressed the view that this was as negative as one could be on such a quality stock.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume for various major stocks including Anglo, BHP, BP, etc.

But the Banque Indosuez statement said that it would not launch a full bid for MG within a year unless a third party makes a bid for MG or acquires a stake of more than 15 per cent.

The Morgan Grenfell news stirred up the rest of the merchant banks, but dealers and analysts were quick to point out that most are protected by large family shareholdings and various cross-holdings.

British Steel was another FTSE-100 share to resist the wider market's malaise. It moved in a narrow range before closing unchanged at 125p.

At the beginning of the month there had been evidence of switching out of Sainsbury and into Tesco with some analysts saying Tesco was set to become the market leader in the next decade.

the stock resist the market's weakness. The shares closed just a penny off at 306p. Vague talk of a broker's downgrading hurt P&O, down 1p at 567p.

ICI profits bloom It was hard to find a dealer or analyst with a good word to say about ICI after the company posted its near 12 per cent fall in third quarter profits.

Several analysts pointed out that while bulk chemicals had

MARKS & SPENCER showed

MARKS & SPENCER showed

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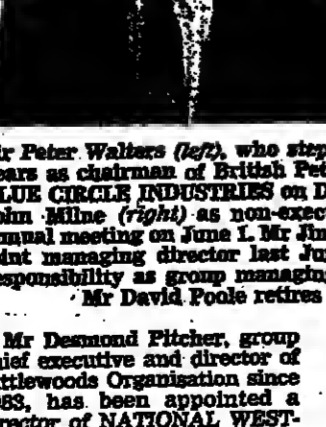
APPOINTMENTS

New chairman at Halifax Building Society



Mr Richard Hornby, chairman of HALIFAX BUILDING SOCIETY, retires on July 31, 1990.

Mr Tony Dodd has been appointed managing director of XEROX ENGINEERING SYSTEMS.



Mr Tom McCafferty, joint founder and chief executive of Fraser Williams, has become president of the COMPUTER SERVICES ASSOCIATION.

Mr Peter Walters (left), who steps down next March after eight years as chairman of British Petroleum, is to join the board of BLUE CIRCLE INDUSTRIES on December 1 and will succeed Sir John Milne (right) as non-executive chairman following the annual meeting on June 1.



Mr Desmond Fitcher, group chief executive and director of Littlewoods Organisation since 1988, has been appointed a director of NATIONAL WESTMINSTER BANK's advisory board.

Mr Tom McCafferty, joint founder and chief executive of Fraser Williams, has become president of the COMPUTER SERVICES ASSOCIATION.

Mr John Lelliott (CONTRACTS) has made the following changes. Mr Stuart McCann, formerly construction director, joins group chief executive Mr Robert Marshall as joint managing director.

Mr Richard Westcott has joined MERRILL LYNCH INTERNATIONAL as a managing director, investment banking division.

Advertisement for WestLB (Westdeutsche Landesbank) featuring a large image of a building and text describing its international finance services.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-625-2123

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abnott Unit Trust, and others, with columns for name, price, and other details.

Table listing unit trusts under the heading 'Abnott Unit Trust', including Abnott Growth, Abnott Income, and Abnott Bond.

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GUIDE TO UNIT TRUST PRICING
UNIT TRUST PRICING
The price of a unit trust is the price of the unit trust fund divided by the number of units in the fund.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-625-6128

Main table containing unit trust information, including columns for company name, unit price, and other financial details. The table is organized into several vertical sections.

OTHER UK UNIT TRUSTS

Table listing various UK unit trusts under the heading 'OTHER UK UNIT TRUSTS', including company names and unit prices.

INSURANCES

Table listing insurance-related unit trusts under the heading 'INSURANCES', including company names and unit prices.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information, organized into columns for various categories such as 'Premier Life Assurance Co Ltd', 'Scottish Equitable Life Assurance Co Ltd', 'Standard Life Assurance Co Ltd', 'Guernsey (G) RECOGNISED', 'Offshore and Overseas', 'Management Services', 'Jersey (G) RECOGNISED', and 'Luxembourg (G) RECOGNISED'. Each entry includes the name of the trust, its unit price, and other relevant details.

OFFSHORE AND OVERSEAS

GUERNSEY (G) RECOGNISED

MANAGEMENT SERVICES

GUERNSEY (G) RECOGNISED

LUXEMBOURG (G) RECOGNISED

JERSEY (G) RECOGNISED

JERSEY (G) RECOGNISED

JERSEY (G) RECOGNISED

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JERSEY (G) RECOGNISED



FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Main table containing FT Unit Trust Information Service data, including columns for fund names, managers, and performance metrics.

Table containing LONDON SHARE SERVICE data, including columns for fund names, prices, and performance metrics.

Table containing Money Market Trust Funds and Money Market Bank Accounts data, including columns for fund names, prices, and performance metrics.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American companies such as American Steel, American Steel, American Steel, etc. with columns for Stock, Price, and other financial data.

CANADIANS

Table listing Canadian companies such as Canadian National, Canadian National, Canadian National, etc. with columns for Stock, Price, and other financial data.

BANKS, HP & LEASING

Table listing banks and leasing companies such as Bank of Montreal, Bank of Montreal, Bank of Montreal, etc. with columns for Stock, Price, and other financial data.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies such as Carlsberg, Carlsberg, Carlsberg, etc. with columns for Stock, Price, and other financial data.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies such as Bovis Lend Lease, Bovis Lend Lease, Bovis Lend Lease, etc. with columns for Stock, Price, and other financial data.

BUILDING, TIMBER, ROADS - Contd

Continuation of Building, Timber, Roads companies with columns for Stock, Price, and other financial data.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies such as ICI, ICI, ICI, etc. with columns for Stock, Price, and other financial data.

DRAPERY AND STORES

Table listing drapery and store companies such as Debenhams, Debenhams, Debenhams, etc. with columns for Stock, Price, and other financial data.

DRAPERY AND STORES - Contd

Continuation of Drapery and Stores companies with columns for Stock, Price, and other financial data.

ELECTRICALS

Table listing electrical companies such as British Telecom, British Telecom, British Telecom, etc. with columns for Stock, Price, and other financial data.

ENGINEERING

Table listing engineering companies such as BAE Systems, BAE Systems, BAE Systems, etc. with columns for Stock, Price, and other financial data.

ENGINEERING - Contd

Continuation of Engineering companies with columns for Stock, Price, and other financial data.

FOOD, GROCERIES, ETC

Table listing food and grocery companies such as Asda, Asda, Asda, etc. with columns for Stock, Price, and other financial data.

HOTELS AND CATERERS

Table listing hotel and catering companies such as Whitbread, Whitbread, Whitbread, etc. with columns for Stock, Price, and other financial data.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies such as British Airways, British Airways, British Airways, etc. with columns for Stock, Price, and other financial data.

INDUSTRIALS (Misc.) - Contd

Continuation of Miscellaneous Industrial companies with columns for Stock, Price, and other financial data.

INDUSTRIALS (Misc.) - Contd

Continuation of Miscellaneous Industrial companies with columns for Stock, Price, and other financial data.

INSURANCES

Table listing insurance companies such as Aviva, Aviva, Aviva, etc. with columns for Stock, Price, and other financial data.

INDUSTRIALS (Misc.) - Contd

Continuation of Miscellaneous Industrial companies with columns for Stock, Price, and other financial data.

INDUSTRIALS (Misc.) - Contd

Continuation of Miscellaneous Industrial companies with columns for Stock, Price, and other financial data.

INDUSTRIALS (Misc.) - Contd

Continuation of Miscellaneous Industrial companies with columns for Stock, Price, and other financial data.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-825-2128

LEISURE

Table of share prices for Leisure sector including companies like Leisure Group, Leisure Leisure, etc.

PAPER, PRINTING, ADVERTISING - Contd

Table of share prices for Paper, Printing, Advertising sector including companies like Newsprint, etc.

TEXTILES - Contd

Table of share prices for Textiles sector including companies like Textiles, etc.

TRUSTS, FINANCE, LAND - Contd

Table of share prices for Trusts, Finance, Land sector including companies like Finance, etc.

OIL AND GAS - Contd

Table of share prices for Oil and Gas sector including companies like Oil, etc.

MINES - Contd

Table of share prices for Mines sector including companies like Mines, etc.

MOTORS, AIRCRAFT TRADES

Table of share prices for Motors, Aircraft Trades sector including companies like Motors, etc.

PROPERTY

Table of share prices for Property sector including companies like Property, etc.

TOBACCO

Table of share prices for Tobacco sector including companies like Tobacco, etc.

TRANSPORT

Table of share prices for Transport sector including companies like Transport, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like Finance, etc.

OVERSEAS TRADERS

Table of share prices for Overseas Traders sector including companies like Overseas, etc.

PLANTATIONS

Table of share prices for Plantations sector including companies like Plantations, etc.

Commercial Vehicles

Table of share prices for Commercial Vehicles sector including companies like Commercial, etc.

PROPERTY

Table of share prices for Property sector including companies like Property, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like Finance, etc.

FINANCE, LAND, ETC

Table of share prices for Finance, Land, Etc sector including companies like Finance, etc.

MINES

Table of share prices for Mines sector including companies like Mines, etc.

THIRD MARKET

Table of share prices for Third Market sector including companies like Third Market, etc.

Components

Table of share prices for Components sector including companies like Components, etc.

PROPERTY

Table of share prices for Property sector including companies like Property, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like Finance, etc.

FINANCE, LAND, ETC

Table of share prices for Finance, Land, Etc sector including companies like Finance, etc.

MINES

Table of share prices for Mines sector including companies like Mines, etc.

NOTES

Stock Exchange dealing classifications are indicated in the right hand column of the table. The following notes apply to the table.

Garages and Distributors

Table of share prices for Garages and Distributors sector including companies like Garages, etc.

PROPERTY

Table of share prices for Property sector including companies like Property, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like Finance, etc.

FINANCE, LAND, ETC

Table of share prices for Finance, Land, Etc sector including companies like Finance, etc.

MINES

Table of share prices for Mines sector including companies like Mines, etc.

NOTES

Stock Exchange dealing classifications are indicated in the right hand column of the table. The following notes apply to the table.

NEWSPAPERS, PUBLISHERS

Table of share prices for Newspapers, Publishers sector including companies like Newspapers, etc.

PROPERTY

Table of share prices for Property sector including companies like Property, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like Finance, etc.

FINANCE, LAND, ETC

Table of share prices for Finance, Land, Etc sector including companies like Finance, etc.

MINES

Table of share prices for Mines sector including companies like Mines, etc.

NOTES

Stock Exchange dealing classifications are indicated in the right hand column of the table. The following notes apply to the table.

PAPER, PRINTING, ADVERTISING

Table of share prices for Paper, Printing, Advertising sector including companies like Paper, etc.

PROPERTY

Table of share prices for Property sector including companies like Property, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like Finance, etc.

FINANCE, LAND, ETC

Table of share prices for Finance, Land, Etc sector including companies like Finance, etc.

MINES

Table of share prices for Mines sector including companies like Mines, etc.

NOTES

Stock Exchange dealing classifications are indicated in the right hand column of the table. The following notes apply to the table.

SHOES AND LEATHER

Table of share prices for Shoes and Leather sector including companies like Shoes, etc.

PROPERTY

Table of share prices for Property sector including companies like Property, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like Finance, etc.

FINANCE, LAND, ETC

Table of share prices for Finance, Land, Etc sector including companies like Finance, etc.

MINES

Table of share prices for Mines sector including companies like Mines, etc.

NOTES

Stock Exchange dealing classifications are indicated in the right hand column of the table. The following notes apply to the table.

SOUTH AFRICANS

Table of share prices for South Africans sector including companies like South Africans, etc.

PROPERTY

Table of share prices for Property sector including companies like Property, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like Finance, etc.

FINANCE, LAND, ETC

Table of share prices for Finance, Land, Etc sector including companies like Finance, etc.

MINES

Table of share prices for Mines sector including companies like Mines, etc.

NOTES

Stock Exchange dealing classifications are indicated in the right hand column of the table. The following notes apply to the table.

TEXTILES

Table of share prices for Textiles sector including companies like Textiles, etc.

PROPERTY

Table of share prices for Property sector including companies like Property, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like Finance, etc.

FINANCE, LAND, ETC

Table of share prices for Finance, Land, Etc sector including companies like Finance, etc.

MINES

Table of share prices for Mines sector including companies like Mines, etc.

NOTES

Stock Exchange dealing classifications are indicated in the right hand column of the table. The following notes apply to the table.

OIL AND GAS

Table of share prices for Oil and Gas sector including companies like Oil, etc.

PROPERTY

Table of share prices for Property sector including companies like Property, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land sector including companies like Finance, etc.

FINANCE, LAND, ETC

Table of share prices for Finance, Land, Etc sector including companies like Finance, etc.

MINES

Table of share prices for Mines sector including companies like Mines, etc.

NOTES

Stock Exchange dealing classifications are indicated in the right hand column of the table. The following notes apply to the table.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound falls after Lawson quits

STERLING FELL 2 1/2 cents to \$1.5880 in New York in immediate reaction to the resignation of Mr Nigel Lawson, the UK Chancellor. The news came after the pound had closed 30 points higher in London at \$1.6125.

climbed to Y228.50 from Y228.00, but was unchanged at SF2.5925 and at FF10.0625. According to the Bank of England the pound's index closed unchanged at 90.1.

The dollar finished in London towards the bottom of a fairly narrow range, as the currency market cast another nervous eye on Wall Street. A weakening of share prices pushed the dollar below DM1.84 at the close, after it had hovered around this support level for most of the day.

Table with columns for Country, Rate, and Change. Includes Sterling, Dollar, and various European currencies.

Table titled 'POUND SPOT - FORWARD AGAINST THE POUND' showing rates for US, Canada, Netherlands, Belgium, Ireland, Portugal, Greece, Spain, Sweden, Switzerland, and Japan.

Table titled 'DOLLAR SPOT - FORWARD AGAINST THE DOLLAR' showing rates for various European currencies against the dollar.

Table titled 'EURO-CURRENCY INTEREST RATES' showing rates for Sterling, US Dollar, and other currencies.

Table titled 'EXCHANGE CROSS RATES' showing rates for various international currencies.

FINANCIAL FUTURES AND OPTIONS

Table with columns for Contract, Price, and Change. Includes Liffe Mini Gold, Liffe 90 Treasury Bond, and Liffe Mini Futures Options.

Table titled 'CHICAGO' showing rates for U.S. Treasury Notes, U.S. Treasury Bills, and U.S. Treasury Bonds.

Table titled 'LONDON (LIFFE)' showing rates for 25-Year P/L Interest Rate, 10-Year P/L Interest Rate, and 5-Year P/L Interest Rate.

Table titled 'EUROPEAN OPTIONS EXCHANGE' showing rates for various European options contracts.

Table titled 'TOTAL VALUE IN CONTRACTS' showing values for various financial instruments.

PRICE WATERHOUSE and the FINANCIAL TIMES CONFERENCE ORGANISATION present

CAPITAL MARKETS WORKSHOP

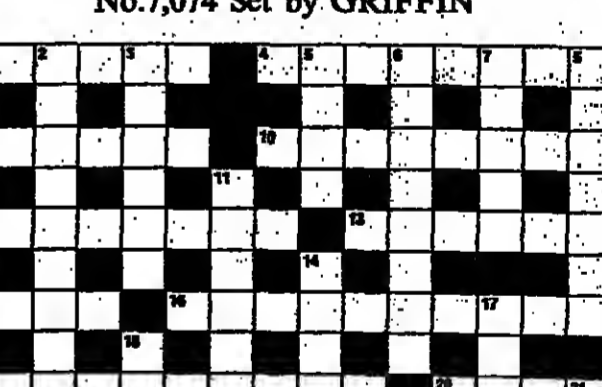
16-18 OCTOBER, 15-17 NOVEMBER & 4-6 DECEMBER 1989

The risks involved in trading often complex instruments in the capital markets need to be identified, measured and managed. In these workshops a team of Price Waterhouse and banking industry experts examines the risks and explains how they can be managed successfully.

- List of speakers and their affiliations, including Jonathan Britton, Anthony Wilson, and others.

Registration form for the Capital Markets Workshop, including fields for Name, Position, Company, and Address.

CROSSWORD



ACROSS 1 See 26 down. 2 Expecting pen gran repaired by last post (6). 3 Conditional release when father takes part (6). 4 Puffy officer starts courting meat lover (6). 5 Well thought out study one's moved into (6). 6 Where post student takes key from guide (6). 7 Drop Tom, having no time to get vermouth (4). 8 Friendly model admitted being natural (10). 9 Finding guilty con-man on it is bed (10). 10 Having very little money, cry (4). 11 Race Brown back home, catching ball (6). 12 Recycled fresh container for milk-time (6). 13 Broken chair can, leading to chaos (6). 14 Recall always reversing without permission (6). 15 Machine operators, very French, mix lead in it (6). 16 Volunteers left hospital with gift (6).

DOWN 1 Letter box closed by grant (7). 2 Vehicle No 23 is pink (9). 3 Cushion Dicky caught soldier taking (6). 4 Rings man up about opportunity (4). 5 A car driver in the USA? (6). 6 Expect a comedian around mid-day (6). 7 Woolly red lint clings to things (7). 8 Is still bringing gold into holiday centres (6). 9 Cut on US soldier comes up, inflamed (7). 10 So the man, an arbitrator, rushed round (6). 11 Saweetie (8). Top 100, 1989. Instant success (12, 6). 12 Marjorie's 1.5% - 15%.

Solution to Puzzle No. 7/83. A grid with the words from the crossword puzzle filled in.

MONEY MARKETS

Credit stays tight

CREDIT CONDITIONS were kept tight on the London money market by the Bank of England yesterday. The day-to-day credit shortage was only \$100m, but the authorities made no attempt to take this out with bill purchases.

In New York the US Federal Reserve took the expected action of draining reserves from the banking system via four-day matched sale and repurchase agreements, when Federal funds were trading at 8 1/4 per cent.

Short sterling futures continued to move in a very narrow range on Liffe in subdued trading. December delivery traded between 85.45 and 85.50, closing at 85.47 compared with 85.49 on Wednesday.

In Frankfurt all money was unchanged at 7.55 per cent, with traders optimistic that the Bundesbank had the situation under control, and there would be no problem for banks in meeting minimum reserve requirements for the month.

Table titled 'FT LONDON INTERBANK FIXING' showing rates for 1 month, 3 months, and 6 months US dollars.

BASE LENDING RATES

Table showing base lending rates for various banks and currencies.

MONEY RATES

Table showing money rates for New York, London, and other markets.

LONDON MONEY RATES

Table showing London money rates for various currencies and terms.

CLASSIFIED ADVERTISEMENT RATES

Table showing rates for classified advertisements in different categories like Appointments, Residential Property, etc.

WORLD STOCK MARKETS

Table with columns for AUSTRIA, FRANCE (Continued), GERMANY (Continued), ITALY (Continued), and SWEDEN. Each column lists various stocks and their prices.

Table with columns for DENMARK, FINLAND, FRANCE (Continued), GERMANY (Continued), ITALY (Continued), and SWEDEN. Each column lists various stocks and their prices.

Table with columns for JAPAN, GERMANY (Continued), ITALY (Continued), and SWEDEN. Each column lists various stocks and their prices.

Table with columns for JAPAN, GERMANY (Continued), ITALY (Continued), and SWEDEN. Each column lists various stocks and their prices.

Table with columns for CANADA. It lists various Canadian stocks and their prices.

Table with columns for NEW YORK DOW JONES, INDICES, and NEW YORK ACTIVE STOCKS. It includes market indices and active stock trading data.

Table with columns for TOKYO - Most Active Stocks. It lists the most active stocks in the Tokyo market.

Advertisement for Financial Times featuring the headline '12 issues free when you first subscribe to the Financial Times'. It includes a coupon for subscription and a small image of the newspaper.

Vertical text on the left margin: 'OCTOBER 27 1989', 'TAL', 'ETS', 'SHOP', '17 NOVEMBER', 'BER 1989', 'JOTTER', 'ORD', 'MIPPEN'.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

3pm prices October 26

Main table containing stock prices, organized into columns with headers for stock names, prices, and changes. Includes sub-sections for '12 Month High/Low' and 'Change'.

NYSE COMPOSITE PRICES

NASDAQ NATIONAL MARKET

3pm prices October 26

Table of NYSE Composite Prices with columns for stock symbols, prices, and changes. Includes a section for AMEX Composite Prices at the bottom.

Table of NASDAQ National Market prices, organized into columns for various stock categories and symbols.

Travelling on Business in the Netherlands? Enjoy reading your complimentary copy of the Financial Times when you're staying in Amsterdam...

FINANCIAL TIMES LONDON'S BUSINESS NEWSPAPER

It's attention to detail... SCANDIC CROWN HOTEL

AMERICA

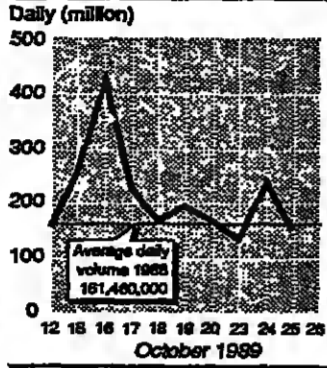
Dow weakens on concern over corporate prospects

Wall Street

THE EUPHORIA after last week's recovery from the mini-crash on October 13 continued to dissipate yesterday. Concern about the prospect for corporate earnings as the economy decelerates, and nervousness about volatility caused by programme trading, kept investors on the defensive, writes Janet Bush in New York.

actions in the individual stocks, an inefficiency which has often been cited as a cause of market volatility. Trading in ESFs was reported to have had a slow start yesterday, as could be expected with a new product and revolutionary new trading structure.

NYSE volume



Stripping out the effect of programmes, the market yesterday was still weak. There was some concern about the message of yesterday's preliminary figures for third-quarter gross national product which grew by 2.5 per cent, the same as in the second quarter.

ASIA PACIFIC

Stable yen helps Nikkei finish just below record

Tokyo

RELATIVE stability in the currency market and a boost from index-linked buying supported a strong gain in share prices which took the Nikkei average to a record high in the afternoon, writes Michiko Nakamoto in Tokyo.

est following a newspaper report that many would increase or resume their dividend payments. Their profits have recovered substantially; Mitsubishi Heavy, for example, is expected to see a 50 per cent rise in pre-tax recurring profits, while its price/earnings ratio is at a relatively low 48.

Roundup

RECOVERIES in two Pacific Basin markets yesterday, one against the odds, failed to convince the locals that prospects were really improving.

where, such as a levelling-off in exports and rise in imports. A build-up in inventories suggested a further weakening in manufacturing industry which points to lower growth in the fourth quarter.

Canada

SHARP declines on Wall Street sent Toronto midday stocks lower. The composite index lost 14.9 to 3,991.8 on volume of 8.9m shares.

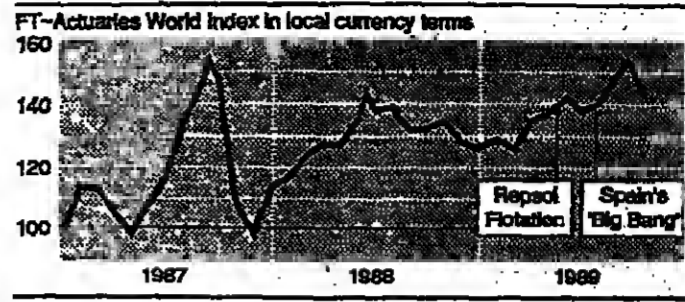
Madrid goes limp as elections approach

Only utility stocks are attracting consistent enthusiasm, writes Peter Bruce

INVESTORS do not often pay Socialist governments the compliment of being nervous before elections. In Spain's case, however, Mr Felipe Gonzalez's Socialist administration has become so closely identified with the country's economic success that the prospect of its losing its absolute majority in Parliament on Sunday is playing a large part in the Madrid bourse's recent limp behaviour.

regional autonomy. Another factor is that Herri Batasuna, the political wing of ETA, the terrorist Basque movement, does not take its five seats in Parliament. It has pledged to do so in the next legislature, but it would be an unwelcome ally in attacks on the Government and might even strengthen Mr Gonzalez's hand.

Spain



don is relatively sanguine about interest rate prospects after the elections, arguing that tighter fiscal policy will allow for some loosening of interest rates.

on July 29 made investors hesitant, although things perked up a little once they arrived.

talised bank on the market, has also broken ranks and started offering interest on current accounts, which, according to Phillips & Drew, will have a negative effect on the whole sector.

EUROPE

Bids, cash calls and inflation divide opinion

A WEALTH of economic, corporate and political developments provided the stimulus to continental trading yesterday, writes Our Markets Staff.

their debut in very active trading, starting at FF81.95 and closing at FF80.25 compared with an issue price of FF72.

FRANKFURT followed Deutsche Bank, which gained DM28.50 early in the session on the news of its 10 per cent holdings in several large companies, including the insurance company, Allianz and the reinsurer, Munich Re.

hours before the news from Rome pushed it down to L1.955. The Comi Index eased 1.54 to 644.07 in volume thought to be slightly higher than Wednesday's 1.650m.

the Credit Suisse Index rose 2.7 to 612.9 in moderately active trading. Len bearers rose SF25 to SF3.125 and CS Holding SF25 to SF2.430.

Table with columns: NATIONAL AND REGIONAL MARKETS, WEDNESDAY OCTOBER 26 1989, TUESDAY OCTOBER 24 1989, DOLLAR INDEX. Rows include Australia, Austria, Belgium, Canada, Denmark, Finland, France, West Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Sweden, Switzerland, United Kingdom, USA, Europe, Nordic, Pacific Basin, Euro-Pacific, North America, Europe Ex. UK, Pacific Ex. Japan, World Ex. US, World Ex. UK, World Ex. So. Af., World Ex. Japan, The World Index.

Advertisement for Courtaulds plc and JPMorgan. Text includes: Courtaulds plc has acquired Products Research & Chemical Corporation. Morgan Guaranty acted as financial advisor to Courtaulds plc, served as dealer manager for the tender offer, and provided bridge financing. JPMorgan logo.